# Find out what a wonderful cream this is—

# 15 SHAVES FREE

**Actual size of regular 25¢ TUBE**

We are not in business for our health. We don't give away 15 free shaves to *anybody* for the fun of it. We make this offer simply—and selfishly—because we know that practically every man who sends in the coupon below will go on using Listerine Shaving Cream.

How can we be so sure? Because we've watched it happen. And because we know how Listerine Shaving Cream compares with others, regardless of price.

You could spend a dollar and you wouldn't get anything better for a tough beard and a tender skin than Listerine Shaving Cream—at 25¢! It lathers up like a cream puff. It soothes the skin. It softens the beard. Your razor slides through it like nothing at all and leaves a clean, smooth path behind. Chafes and scrapes just don't happen.

Before we allowed the name Listerine to be applied to a shaving cream it had to be *good*. But that doesn't mean it had to be costly. The big tube of Listerine Shaving Cream should last any man three long months. It contains 104 quick, comfortable shaves. Yet its price is 25 cents. Get that big tube at any drug counter. Or if you want to be shown, mail the coupon for 15 shaves, absolutely *free*. Lambert Pharmacal Company, St. Louis, Missouri.

## Tear off this Coupon NOW!

Lambert Pharmacal Company, Dept. O-10-S, St. Louis, Mo.

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Name_____

Street_____

City_____ State_____



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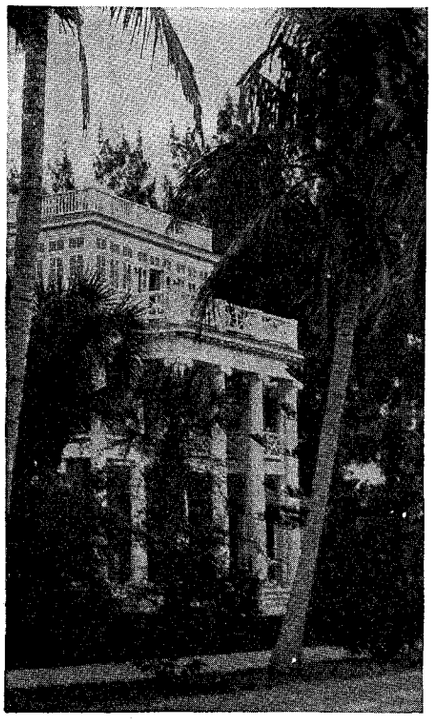

Front Entrance

# GASPARILLA INN and COTTAGES

### IN BEAUTIFUL BOCA GRANDE, FLORIDA

THE Gasparilla Inn and Cottages form a charming little community all to themselves. It is a lovely little settlement of graceful white houses, in a setting of lawns and blossoms, at the edge of the blue Gulf. Here one can rest or play in an atmosphere of relaxation. Gasparilla is Florida at its finest.

Gasparilla Inn is well appointed, thoroughly modern. Special stress is placed upon the cuisine and service. The Cottages offer the privacy of home with the convenience of the Inn. You will find the rates quite satisfactory. Private golf course and bathing beach. Fishing (tarpon in season) and boating. For reservations or booklet address J. F. Vallely, Manager, Gasparilla Inn, Boca Grande, Florida.


# Occupations—Today and Tomorrow

## By Berta Crone

SURVEYING PRESENT CONDITIONS carefully, we come to a realization of the fundamental changes which have been at work in our economic life. Old concepts of work and standards of remuneration for the professional worker are being swept away. Established callings and customs are being altered to fit the new scheme of things, or are being discarded altogether because they can no longer serve the needs of the present. This re-alignment in professional work is very confusing to the individual and makes him long for chart and compass to guide him through the new economic geography.

Looking backward, we discern two movements of immense importance to the well-being of the professional worker. Each has gained considerable impetus since 1929, more especially during the past year. One of these is the growth of associations of professional workers and their attention to the more fundamental aspects of occupational security. The other, a corollary of the first, is the expansion of Credit Unions. Rightly developed and rightly used, these two movements can do much to lessen the uncertainty and fear now hanging like a dark cloud over professional workers in nearly every line of endeavor. Such widespread and rapid changes are being made in practically all fields and organizations, private and public, that it is almost impossible for the individual worker to follow or even to understand them. In view of these changes, he wonders how he may safeguard his occupational and financial interests.

Frequently during the past year we have had occasion to call attention to the fact that professional workers in many fields and occupations suffer flagrant injustices from their employers. It is well known that workers, such as magazine editors and staff writers, advertising executives and copywriters, artists, statisticians and research workers, sales managers and salesmen, hotel managers and clerks, secretaries and office assistants and many other workers of a professional status, have been turned out of their jobs with only two weeks' notice or even less. It is well known that some of these workers have contributed ideas and rendered services for which they were very inadequately paid, though important organizations and large personal fortunes were made possible through the application of these ideas and the use of these services. Manifestly, the only way for these workers to prevent the repetition of these and similar unjust practices is to organize. It was undoubtedly because of the realization of this need that the National Recovery Act has guaranteed to workers the right to organize for collective bargaining.

As we go to press a very important group of professional workers is launching its national association. The American Newspaper Guild was formally inaugurated on December 15, in Washington, D. C., where newspaper men and women, representatives of newly formed local Newspaper Guilds, met to organize a national Guild. The inception and growth of this Guild contributes a dramatic episode in the history of journalism, in the history of professions. Less than four months ago the first Newspaper Guild was organized in the City of New York. The idea, once it was proposed, caught the interest of working newspaper men and women, reporters, rewrite men, copy readers, and others; within the short space of a few weeks local Guild chapters had been established in most of the larger cities in the United States and in many smaller centers, the Newspaper Guild of New York acting as a clearing house for information. A weekly newssheet of their own—The Guild Reporter—was issued, the first national edition appearing on November 23. A new status for the American journalist seems to be their slogan. Heywood Broun's own account of the birth of the idea, appearing in the first issue of the Guild Reporter, runs thus: "The National Recovery Act was the direct inspiration for the organization of the Newspaper Guild of New York. Word came from Washington that there would be a code hearing and it seemed to a number of working newspaper men as if this were practically an invitation to the various editorial departments to come and be heard." He continues, "After a good deal of discussion it was decided to try and take up a comparatively small number of points in Washington. The forty



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hour, five day week formed the backbone of the program suggested. One point on which there was universal agreement from the beginning was the necessity of some form of partial security in the job. Nobody on any side of the controversy cares to deny the obvious injustice of dismissing some man who has worked for twenty or thirty years with no more than one or two weeks' notice." He goes on to say at the close, "The next step which lies ahead of us is to perfect a national organization. In addition to the chance of securing tangible and immediate benefits in the matter of working conditions, the guild movement ought to raise the standards of the craft and make the job of being a newspaper man a matter of distinct pride in every part of the country."

Since Broun wrote the above the National Guild has been inaugurated; and the Newspaper Guild of New York has been authorized by the National Re-employment Service of New York and the State Employment Service to act as an agency in New York City for the registration of unemployed newspaper men and women, for civil works jobs. The Newspaper Guild of New York, the parent chapter, has established offices at 55 West 42nd Street.

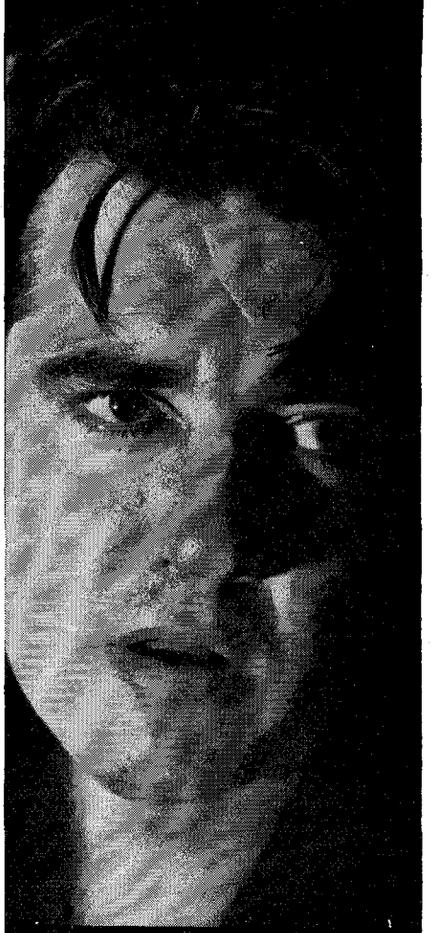
The spirit of these newspaper men and women and their remarkable accomplishment in this short period of time, should be an inspiration to unorganized workers in other professions to go and do likewise.

The second movement of real significance to the professional worker which has gained great impetus during the past year is the establishment and expansion of Credit Unions. These "Baby Banks" have the best banking record ever established during the depression by any form of banking, according to reports of the Credit Union National Extension Bureau. What credit facilities we may ask are available to the professional worker now? Where can he secure reliable and impartial advice and assistance on his personal financial problems? The answer to these questions is the Credit Union, a small cooperative bank, which seems to be answering the needs of many whose wants are ignored by the ordinary commercial banks. About 2,000 Credit Unions have already been established by different occupational groups. They operate in 38 states and in the District of Columbia under the same supervision as banks, with the same obligation on the part of the State Banking Departments to examine and to close for cause. Funds are safer, it seems, in Credit Unions in certain states than in some other banking institutions. In some states banks with *state charters accept Credit Union funds as preferred deposits,* thus insuring a safety which can be obtained in no other institution. Self-managed, under the direction of the Credit Union National Extension Bureau and the State Credit Union Leagues, these Credit Unions have established a reputation for honest and efficient management, says Mr. Roy F. Bergengren, Executive Secretary of the Credit Union National Extension Bureau.

How a Credit Union established by professional workers functions was interestingly explained to us by Mr. Gerritt E. Fielstra, Reference Assistant, Economics Division, New York Public Library, who is one of the managers of the Library Credit Union. He informed us that librarians, members of the Library Economics Committee of the New York Public Library, casting about for a way to improve the economic status of librarians decided it could be done through establishing a Credit Union. The staff associations of the Brooklyn Public Library and the Queens Borough Public Library—separate institutions and associations—joined the plan, and a Credit Union was established which serves the three organizations but is otherwise independent of them. At the end of February, 1931, the Library Credit Union had $56; at the beginning of December, 1933, there was a share capital of $13,412.35. The outstanding balance due on loans at this date was $10,793.00 Shares are sold at $5. Thus far these shares have been bought by 450 persons connected with the three libraries mentioned, comprising librarians, clerical help, pages, and the building employees. The Credit Union accommodates those who can pay not more than 25 cents out of their weekly salary, as well as those who invest at the rate of $50 a month. The funds thus accumulated were put to profitable use through loans to members or shareholders. Since February, 1931, up to December, 1933, a total of $33,709.65 had been loaned, in 330 instances these loans ranged in amounts from $15 to $400. Loans are made at the customary rate of

(*Continued on page* 60)

**Stark, staring eyes that count the dreary hours, aching for the peaceful oblivion of slumber—close them, softly, naturally, safely, by slow, firm strokes on the back of the neck with a palmful of soothing Absorbine Jr.—and drift away into blessed hours of sweet and healing sleep.**



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At all druggists, $1.25. Write for a sample—free, W. F. Young, Inc., Springfield, Mass.



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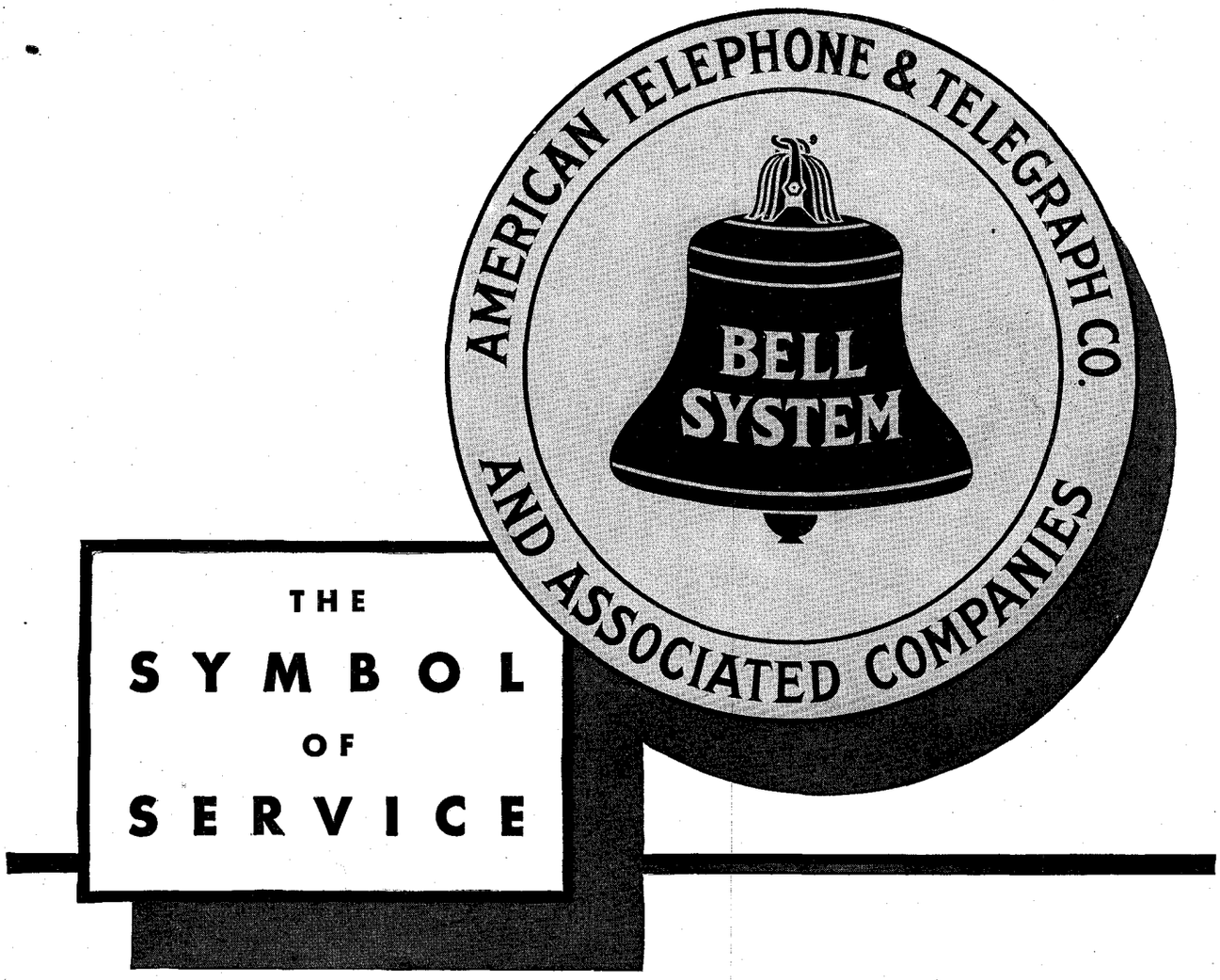


WELL-KNOWN to millions of telephone users is the circular emblem of the Bell System. Its importance is not in its plain and simple design but in what it represents. Back of it is the far-flung organization that enables you to talk to almost any one—anywhere—at any time. It is the mark of a friendly service.

The Bell System consists of twenty-four regional companies, each attuned to the needs of the territory it serves. There is also the Bell Telephone Laboratories, working ceaselessly and scientifically to improve the scope and value of your telephone. There is the Western Electric Company, specializing in the economical production of telephone equipment of the highest quality. Co-ordinating and assisting the work of the operating companies, Bell Laboratories and Western Electric, is the American Telephone and Telegraph Company. It looks upon the operation of telephone service as a public trust and is owned largely by the people it serves.

There are today nearly 700,000 stockholders of American Telephone and Telegraph. They represent a cross-section of the American people; they come from every walk of life and live in every state of the Union. Yet no one owns as much as one per cent of its stock.

Everything has been planned and organized for one specific purpose—to give you the best possible telephone service at the lowest possible cost. That is the ideal and the goal. That is why the work of improvement goes steadily on.

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*A telephone serves you in many ways each day. It runs your errands; takes you to friends and brings them to you; speeds aid in emergency. It does these things and many more—for a few cents a day. The Business Office of your local Bell Telephone Company, or any employee, will gladly take your order.*

**BELL TELEPHONE SYSTEM**



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ALFRED E. SMITH
Editor-in-Chief

# NEW OUTLOOK

FRANCIS WALTON
Managing Editor

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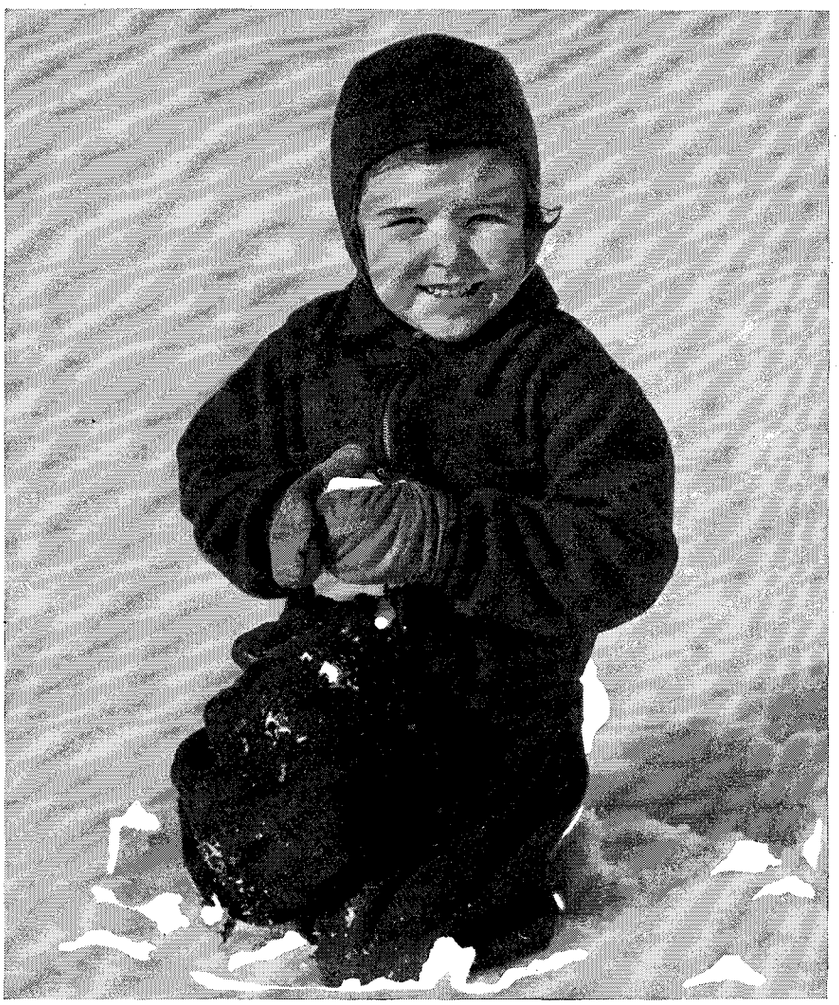
# In Winter, too . . .



## It's Springtime on the C&O

Air-conditioning is not merely a device to keep you cool in summer. *Genuine* air-conditioning does much more than that. Chesapeake and Ohio felt that there was no reason why passengers should be annoyed by dirt and cinders and drafts, even in winter, so we installed *genuine* air-conditioning on all thru trains. The net result is perfect weather, made to order, *in winter too* — very different from the dry, steam-heated stuffiness of the ordinary railroad cars.

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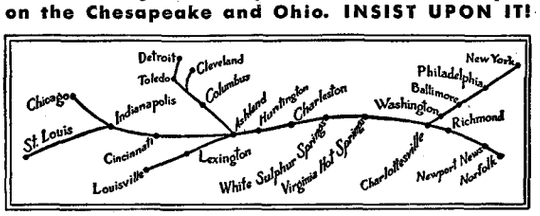
**The ticket agent of any railroad can route you on the Chesapeake and Ohio. INSIST UPON IT!**




*Send for booklet, "How to Spend a Day or Week in Washington." 825 17th Street N. W., Washington, D. C.*

**CHESAPEAKE and OHIO**


## Checklist of New Ideas

ON THE DAWN OF WISDOM

I have more enemies in the United States than any little man I know of.—*Huey Long.*

ON CUBAN JUSTICE

I will demand the execution of two dozen Machadistas before a single counter-revolutionary is shot.—*Secretary of War Guiteras, of Cuba.*

ON BEAUTY

The ideal type of beauty is the middle-aged woman whose hair has greyed and whose face bears the distinguishing lines of character. The immature beauty of a young girl is positively boring.—*Abel G. Warshawsky, artist.*

ON REQUESTED RESIGNATIONS

Hell hath no fury like a professor whose theories are disturbed.—*Rexford G. Tugwell.*

ON ONE OF THE ARTS

I want to see people eat past the subsistence line. There's an art to eating. This country should eat for art's sake, as well as merely to keep alive.—*Frances Perkins, Secretary of Labor.*

ON WOMEN'S CLOTHES

Climate has remained the same, but in different epochs Marjorie's petticoats have been decidedly changeable. . . . The substance of the learned conclusion therefore is that in civilization clothes are required as an artificial stimulus in bringing about the coming generation.—*Robert Holliday in "Unmentionables."*

ON GERTRUDE STEIN

The device roses is a rose is a rose is a rose means just that. Miss Stein is unfortunately too busy herself to be able to tell you herself, but trusts that you will eventually come to understand that each and every word that she writes means exactly what she says, for she says very exactly what she means, and really nothing more, but of course nothing less.—*Alice B. Toklas, from a letter.*

ON SUNDAY SERMONS

There is no way to keep a barber quiet, short of killing him. There is no more way of telling what a preacher is going to say than there is about a barber.—*Judge W. W. Callahan.*



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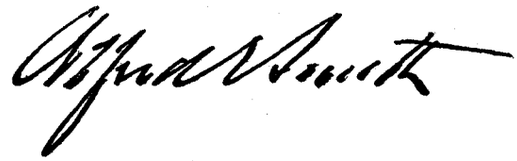
NEW
OUTLOOK

# A HAPPY NEW YEAR!



IN drinking a toast to Repeal, let us not forget that the liquor problem has not been entirely solved. I have no desire to sound a sour note in the very proper celebration at the wake of the 18th Amendment. If we have learned anything from the history of this amendment, it is that there is no sudden cure for social evils, and certainly no cure by legislative fiat. Having scrapped the theory of enforcing morality by Federal mandate, we must go back now to the sound principle that moderation, the goal of all intelligent people, is a matter of individual habit and voluntary self-restraint; in other words, a matter of slow and painful education.

The chief dangers which we now face as the result of Repeal are over-regulation and over-taxation by both Federal and state authorities. So far as enforcement is concerned, a tremendous mistake will be made if the Federal government, under the guise of preventing transportation of liquor into dry states, simply perpetuates the discredited attempts at drastic national control of the whole problem. It will also be a major error to over-tax whiskey in an attempt to force the majority of our people to prefer beer and wine. The best evidence that these errors will not be made is the appointment of Joseph H. Choate, Jr., as the first Federal administrator — an appointment which could not have been improved upon. Similarly, too drastic and complicated enforcement laws, rules and administrative acts by states will defeat their own ends.

An even greater danger, however, lies in over-taxation. If the combined Federal and state taxes drive up the cost of liquor too high, the bootlegger will be with us indefinitely, and disrespect for the law will again be rampant. Incidentally, such over-taxation will also defeat its own ends because, like all excessive taxation, it will quickly dry up the sources of revenue, and the returns will fall far short of the estimates. Both of these problems of over-regulation and over-taxation call for real statesmanship for their solution. Mr. Choate's job, as I see it, is one of conference and coöperation with the states, with a minimum of Federal machinery and with a careful and thorough avoidance of all Federal dictation.

If we are to learn by experience, the repeal of the 18th Amendment in the short period after Congress passed the resolution in both Houses fully demonstrates to the American people the efficiency and the workability of the convention system for ratification of amendments to the Federal Constitution. Prior to this time argument was made against that form of submission on the ground that it was not well known to our people and was a complicated and cumbersome method of handling the amendments. Practically the opposite has proven to be the fact.



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By no stretch of the imagination could we possibly conceive that in the short period of nine months after the inauguration of President Roosevelt the platform plank calling for repeal of the 18th Amendment would actually be achieved. Had it been submitted by the old method of legislative approval we would be waiting still for the sessions of the Legislatures of the various states in 1934 and in the case of states having biennial sessions, possibly another year, unless the governors in such states called the legislatures into extraordinary session. In my opinion the cost to the different states was no greater by the convention system than it would have been by calling of extraordinary sessions and the alternative to the extraordinary session would be a long delay in carrying into effect the clear mandate of the convention that nominated the successful candidate in the last Presidential election. Furthermore, as has been stated in the so-called Wickersham report, legislatures are not organized to represent the popular will; they represent territory rather than people.

At this point it is interesting to recall some of the prophecies made immediately after the adoption of the resolution by both Houses of Congress as to when final settlement of the question would occur by conventions in the states. All periods were guessed at; nobody, however, even the most optimistic, had any idea that it could be accomplished in the short period of nine months. As I have said before in discussing this subject, the Democratic party has earned whatever political credit there is for the repeal victory. It had the courage and sense to adopt a straight repeal plank at Chicago, after the Republican party had ducked and dodged the issue. It also fought honestly for the realization of this pledge in Congress, and in the skirmishes and battles which preceded ratification by the several states.

Great personal credit should go to President Roosevelt for his part in the adoption of the Twenty-first Amendment, because he insisted that Congress carry out, without equivocation, the spirit and letter of the party platform plank, and because subsequently, through the Postmaster General and other personal representatives, he placed back of Repeal the full force of the prestige and influence of the national administration.

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**THE TUGWELL BILL**

AN EXTRAORDINARY AMOUNT OF INTEREST has been aroused throughout the country over the so-called Tugwell Bill regulating foods, drugs, and cosmetics. This interest is due in part to effective propaganda by the Department of Agriculture and by its supporters, in part to an opposition campaign on the part of manufacturers and advertising interests, and in part to a general conflict of opinion as to what are the proper limits of government regulation and control. In the meantime, there is a cross-fire of approval, comment, and criticism from the embattled exponents of all the various camps.

The issues at stake are worth examining. To begin with, it must be admitted that the present Federal laws governing foods, drugs, and cosmetics need strengthening, because there is altogether too much harmful stuff being foisted on the unsuspecting public. It must also be admitted that the absence of any jurisdiction over advertising as distinguished from labeling of these products, has seriously handicapped the Federal authorities in carrying out the spirit of the present laws. Amendments therefore are in order, and only stupid reactionaries, and unprogressive manufacturers and advertisers will deny it.

The Tugwell Bill, however, goes a long way beyond simply amending and putting teeth in present laws. The author himself has stated with considerable frankness that what he aims at in his bill is not just reform, but a revolution in the whole theory governing this field. He regards advertising as largely waste, and he thinks that the government should take a hand in limiting costs to the ultimate consumer by cutting out the advertising middle-man. He also believes that government control of industry will inevitably take the place of mere regulation, that the government is competent to exercise such control, and that it will be in the interest of the average citizen. Let us see how these notions are reflected in the Tugwell bill: in addition to a certain



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reasonable broadening of the word "drugs," the bill defines drugs as including all substances and preparations other than food, and all devices intended to affect the structure, or any function of the body of man or other animals. That is a pretty large order. Cosmetics are defined as including all substances and preparations intended for cleansing or altering the appearance of, or promoting the attractiveness of the person—also an extraordinarily broad definition which is bound to require an immense amount of interpretation and to cause a great deal of trouble in the process. The bill gives almost complete control over advertisement, which is defined as including all representations of fact, or information disseminated in any manner, or by any means other than by labeling. The bill provides that an article is held to be misbranded if its labeling is in any particular false, or by ambiguity or inference creates a misleading impression regarding the article. A drug is misbranded if it bears the name of any diseases for which the drug is not a specific cure, but is a palliative, or if its labeling bears any representation directly, or by ambiguity or inference, concerning its effect which is contrary to the general agreement of medical opinion. Any advertisement is false if by ambiguity or inference it creates a misleading impression regarding a food, drug or cosmetic.

The Secretary of Agriculture may determine that there has been an advance in medical science, and as a result may authorize the advertisement of drugs previously forbidden to be put on the market. The bill gives him power to license all factories whenever there may be any suspicion that the condition surrounding the manufacturing, processing, or packing may be injurious to health. There are other drastic provisions for inspection, seizure, etc. Publishers, advertising agencies and radio broadcasting companies may not be prosecuted for false advertising, if they give the names and addresses of the persons who paid for the advertisements in question. Power to prescribe regulations, is of course, included in the bill, carrying with it a substantial delegation of legislative authority.

This rough analysis shows that the bill brings up the same old problem which is popping up every day in the Federal government. It is the problem of whether this country is going in for government control of industry, or for reasonable regulation. It is the question of whether we are going to the left or right, or whether we shall stick to the center. It is the question of whether we shall have a minimum of government or a maximum of bureaucracy.

Suggestions from intelligent, enthusiastic, and disinterested young men are most valuable, but their advice must be strained through the sieve of practical workability. A great deal will stay in the sieve, no doubt to their distress, but they can content themselves with knowing that what goes through is the real essence which won't hurt the public.

●

**TWO GOVERNORS**

THE CONTRAST between Governor Rolph and Governor Ritchie has not been lost on the press and people of the country. President Roosevelt very properly made it the subject of executive comment. The contrast is one of law and order as against mob rule. Both of these Governors took an oath of office to uphold the Constitution of the United States and of their states, and to see that all the laws were faithfully executed. One of them did everything in his power to keep his promise to the people, while the other broke it. The *"Baltimore Sun"* hit the nail on the head recently when it said: "The very title, 'Governor', leaves no place for a man who turns over his governing to mobs of inflamed citizens led by intoxicated adolescents."

As a matter of fact, Governor Ritchie faced almost insuperable difficulties in protecting the Maryland culprit from the mob. He had no jurisdiction over the prisoner, and subsequent events proved that he could not control the local officials involved although he made every effort to do so. Governor Rolph, on the other hand, had the two prisoners right in his control, and he boasts of the fact that he deliberately stayed on the job in order to see that no one acting in his stead would protect them. The excuse offered by Rolph for applauding the lynchings was that it provided more expeditious justice than the state could



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supply through the courts. This justifies any group of men in taking the law into their own hands whenever they please. It is an incitement to anarchy. Moreover, there is no evidence whatever that the courts of California could not have acted with great dispatch. There is also no evidence either before or since the lynchings that Governor Rolph has taken any lively interest in expediting court action in California.

The preservation of law and order is the cornerstone on which government must rest. We must choose between the Rolphs' incitement to anarchy on the one hand, and law and order represented by Ritchie on the other. At the moment the vociferous mob leaders are with Rolph, and Ritchie is supposed to be on his way to political oblivion, but in the end sober judgment will prevail. Ritchie will eventually get the credit which he deserves as the gallant upholder of a splendid tradition. Rolph will go down in history as the personification of executive weakness.

●

**ALEXANDER LEGGE**

ALEXANDER LEGGE died just about a year after Calvin Coolidge. I had the pleasure of serving with both of them on the National Transportation Committee, and while I could not concur in the majority report signed by Mr. Legge, I had the greatest admiration for his sincerity, his straight-forwardness and down-rightness, his dry sense of humor, and for the things he stood for as the most distinguished representative of the Yankee inventive genius which revolutionized the work of men and machines in the great farm belts of the world.

Contrary to the general impression Alexander Legge was not of old American farming stock. Anyone meeting him for the first time would naturally have assumed that he came of the New England people who sought fairer fields out in the so-called Western Reserve, a hundred or more years ago. As a matter of fact, his parents were both Scotch, and settled in Wisconsin, where Legge was born. Nothing more typically American ever lived in this country than Alexander Legge. He stood about six foot three and weighed well over two hundred and fifty pounds without a superfluous ounce. He looked ten years younger than his age when I saw him last only a few months ago. He was brought up on a small farm, did the chores as a boy, enjoyed a total of about three months of regular schooling, gravitated into the farm machinery business, and ended up as the head of the International Harvester Company, after holding practically every rank in that company, from clerk to president. It was said that he knew more farmers by name than any other man in the country. He was late in entering tractor manufacturing, but when he died his company was the controlling factor in this field. He was vice-chairman of the War Industries Board and in charge of all allied purchasing during the war, and later was head of President Hoover's farm board. There can be no question but that the long and strenuous hours he worked for the government as a matter of patriotic service, weakened his heart and led to his untimely death.

He had an immense knowledge of the farmer's problem and a healthy skepticism as to cure-alls in this field. At a time when it is the popular indoor sport to sneer at representatives of rugged individualism, practical experience, and big business leadership, don't forget Alec Legge and the things he stood for, and don't believe for one minute that any substitute can be found for the initiative, the force, the four-square down-rightness and hard-bitten self-reliance of men of this type in rebuilding prosperity.



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# "The People"

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## by William E. Borah

*Senator Borah inquires into the abuse and misuse of the increasingly popular political cliché, "interests of the people," in justifying the changes from democratic to arbitrary government.*

THE governor of a great state, charged with dereliction in upholding the law and protecting life, falls back upon the plea that he was acting in the interest of "the people." Singular doctrine after five centuries of effort upon the part of the people to establish a government of law!

A person of sufficient distinction to find his way into the public print, in order to meet a supposed exigency, proposes that the membership of the Supreme Court be enlarged and the Court packed with members known to be ready to respond to whatever political demands may be made. This is said to be in the interest of "the people," notwithstanding "the people" have struggled and sacrificed ages upon ages to secure an impartial administration of justice.

It is not an unusual thing in these days to hear men talk of the obsolescence of democratic government. It is a theme which seems to engage the attention of a great many who profess to be interested in bringing greater happiness and contentment to "the people." It is said to be a badge of distinction in some quarters to be able to point out what are supposed to be the incurable defects in constitutional government.

It may not be a waste of time to pause and inquire just what interest have "the people" in these widespread and persistent efforts to discredit democratic institutions, in personal government, in mob rule, and in courts bowing to the demands of political power. They have in my judgment about the same interest in these things they would have in the coming of a plague or the visit of an incurable epidemic. Both would mean a loss to the people for which there could be no adequate compensation. If we are to judge by the experiences of other peoples who have exchanged democratic for arbitrary government, it might mean the practical disintegration of our social fabric. Those who are willing to exchange a representative democracy for personal or bureaucratic government are simply trifling with the richest heritage now enjoyed by those whom they profess to favor.

There is no one, positively no one, who has so much at stake in the preservation of a representative democracy, in the maintenance of constitutional government, as the average man or woman, those whom Lincoln was fond of calling the common people. Their earnings, the security of their homes, the rights and privileges which give them a dignified place in their government depend upon established law, upon applied constitutional principles. They cannot purchase their protection or successfully barter for their rights by the use of influence or the employment of trickery. They must rely upon those rules and institutions which they themselves have ordained and established.

Democratic government was established that the people might enjoy the rights, privileges and blessings which they are permitted to enjoy under no other form of government. There is, therefore, no crime against the people equal in magnitude to the crime of withdrawing from them the real sources of political power, of undermining the great pillars of free government; respect for law, for established institutions, free speech, free press, and finally,



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protection under the law for the weak as well as the strong. It is the glory of our institutions that the meanest culprit, contending for his liberty or his life, is in the eye of the law entitled to every right, every privilege, and every exemption which the most exalted may claim. Under arbitrary government it is not so. Under personal government it is not so. It is so nowhere save in those countries where the political power rests securely in the hands of the people. "It profits me but little, after all, that a vigilant authority should protect the tranquillity of my pleasures and constantly avert all dangers from my path without my care or my concern, if this same authority is the absolute mistress of my liberty and of my life, and if it so monopolizes all the energy of existence that when it languishes everything languishes around it, that when it sleeps everything must sleep, that when it dies the state itself must die."

In a discussion of the *"Passing of Parliamentary Government,"* which I wasted some precious time in reading a short time ago, was to be found this statement in substance: that it is no longer open to debate that the people are not capable of selecting the best and most fit men for public service—that the people too often give their support to flatterers and demagogues. The record, taken as a whole, is overwhelming against any such contention. There will be found at times in the service of a representative democracy the feeble, the spineless, and the corrupt, just as there always has been and always will be found in personal government, a natural adjunct of such government, the scoundrel, the fawning sycophant, and the intellectual slave. But in a true democracy, with its free speech and a free press, neither the incompetent nor the tainted will long remain unexposed, and when exposed, what judgment is so swift, so sure and so remorseless as the judgment of the American people. Many times has that been demonstrated in American politics. Party organizations, a silent or subservient party press may delay the day of execution, but in time the facts are made known, and, when known, rarely do the people hesitate or err. While at times the critics may point to instances which seem to support this contention, yet, on the whole, the type of men selected by the American democracy for leadership for the Purple Crown do not fall within the description of this writer. Those who have gone farthest and stood highest in the public opinion of this country, those who have received the most unfaltering devotion and support of the American people, have been of the highest type of character. The demagogue and the crook are not there—rather men of conviction, of intellectual integrity, of civic courage, and above all, men devoted to the principles and ideals of a constitutional democracy.

In the matter of determining great issues, the record seems even more unassailable. When we thread our way back through the intricate and involved and tremendous problems which at different times have been determined by the American people, it is there we find the most conclusive proof of the success and the power of a representative democracy. How seldom in our history on any great and vital question has the judgment rendered by the American people been found to be erroneous when tested by time and the highest welfare of the nation as a whole. After thorough debate, when all the facts are in and time for reflection is had, upon what other tribunal can you more safely depend for wisdom and justice than the tribunal from which under our system there is no appeal? "The people are not always right, but they are seldom wrong."

Neither democratic institutions nor the administration of law thereunder can be perfect or wholly satisfactory. But while this is true, a representative democracy is the last best scheme devised by the wit of man for the preservation of personal liberty and for the advancement and protection of the average man or woman. The struggle for clean and efficient government is from everlasting to everlasting. But the price is worth the effort. Furthermore, democratic institutions and principles must, of course, meet new conditions and new problems as they arise from time to time in the life of an advancing people. But the new should always be mortised into the old; to destroy is not to reform. If emergencies arise, they are to be met. But they can be met, and should always be met, without surrendering the great truths and the great principles which lie at the base of a representative democracy.



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# In the Good Old U. S. S. A.

In what planned economic directions are the U.S.A. and the U.S.S.R. traveling? In opposite directions, but on the circumference of a circle, Mr. Angly, a frequent contributor to NEW OUTLOOK finds, and indicates the course in the future in the light of the current collectivist program at Washington.

## by Edward Angly

TOGETHER they are walking up the hill toward the sunset of *laissez-faire,* your old Uncle Samuel and Ivan Ivanovitch Ivanoff, and nobody knows what is on the other side. It was inevitable that they should meet, and, meeting, give one another the accolade rather than kicks in the pantaloons. That handshake in the White House exchanged by Franklin Delano Roosevelt and Maxim Maximovith Litvinoff was as inevitable socially as it was diplomatically, or economically. For there are no two great countries on the earth whose aims and ambitions are more akin today than Soviet Russia and these very, very federated States.

Ever since it got on its feet after the knock-down of the October Revolution, Soviet Russia has been sweating at the gigantic job of imposing American industrialization upon a Socialized State. Ever since this country rose from the prostrate position to which the banking crisis floored it, the national government has been imposing state socialism upon industrial America. Call it another name if it smells any sweeter. State capitalism, if you prefer. But some sort of socialism is what it amounts to, or I miss my Marx. In getting up and dusting themselves, Ivan and Samuel intended perhaps to go in opposite directions and in straight lines. It seemed for a while that they were doing so. But one had a right leg longer than the left; the other a left, sturdier than the right.

Men who are lost, they say, are likely to walk in circles. Ivan, long on the left, walked clockwise. Sam strode counter-clockwise. And here, in the seventeenth year of the Russian Experiment and the first of the Roosevelt Experiment, they encounter one another in the big bewilderness.

The time has not yet come when they will decide each to poke the shorter leg in the same sack, and walk on with longer, if less steady, strides in three-legged race fashion. Ivan still avows his faith in the runty leg of pure socialism; Sam pretends to swear by the limb of straight capitalism. But is it not manifest that they are getting nearer and nearer to a common sack? Walking clockwise, Ivan takes from the kulak his extra cow and tells him it will be credited to taxes. Rambling counter-clockwise, Sam takes somebody's tax money and gives it to Farmer John Smith, thus to persuade him to introduce birth control in the barnyard. Ivan snatches a peasant off a small patch where he can raise but little, and puts him on a communal farm where he will raise a great deal. Sam shells out currency to the farmer on his promise to plant less wheat, corn or cotton. The kulak turns up next year with more cows than his neighbor. The American farmer turns up this winter with a bigger cotton crop than he had in 1932.

The Gay Pay Oo snoops about the countryside trying to prevent the kulak from popping up above the herd. In America an army of county agents strives to keep tab on the acres that were to be plowed under. Ivan writes the pay checks for every Russian who has a job. Sam tries to find jobs and write the checks for every man who needs either. Ivan takes the pledge to get off green snake and on to the tea tray, but when his treasury is parched by the ill winds of adversity, he restores vodka. Sam swears off of red eye, and climbs on the water-wagon, but when he finds that he is no longer making both ends meet, he goes back to whiskey. Ivan tells his creditors to go jump in the lake. Sooner than you realize, Sam will be telling his debtors to forget their obligations. Counter-clockwise or clockwise, the hands eventually reach the same point.

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Daily since the Great Awakening of 1929, but particularly since last March—the similarities between the Kremlin and the Capitol, the *fist* and the farmer, *the Gosbank* and the Federal Reserve, the State Planning Commission and the Brain Trust, the Dnieprostroy Dam and Muscle Shoals, the Tverskaya and Broadway have become clearer and sharper. Clockwise Russia goes, and every man must help the government. Sam caracoles counter-clockwise and his government undertakes to help every man. Even in matting moss on rolling stones Sam and Ivan show similar solicitude. In the depths of their crisis in the 1920's the Russians were pestered by the Bezprizornie, bands of roving youths, whose doings gave feminine feature writers from abroad uncounted opportunities to pull out the tremolo stops on their typewriters, that the wistful west might raise its uncalloused hands and say "My! My!" Finally the Kremlin bundled up the drifters, put them into forest camps and on communal farms, and provided teachers to drum new ideas into their sometimes shaven skulls. Over here in the hopeless Hoover days,



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hitch-hiking and the bumming of rides on freight trains, became the occupation of hundreds of thousands. The Civilian Conservation Corps is caring for many of them now. To their camps teachers are to go this winter. In Russia the government makes it its business to see that no one has too much to eat. Downward is slapped the head that rises above the proletarian level. Here Relief Administrator Hopkins tells us it is the government's business to provide men with work and sustenance, to lift the head that droops. From opposite directions have not Sam and Ivan approached the same place?

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In the beginning of the Russian Revolution there was repudiation and confiscation. Could not that logically be the end of the new American experiment? Gradually the government puts a finger in every pie, acquires an equity in every enterprise. Hundreds of banks have emptied their portfolios of all their best bonds to collateralize loans from the Reconstruction Finance Corporation. Slowly the railroads creep closer to the brink beneath which one can envisage only government control. The government makes direct loans to farmers, to home owners, to mortgage companies, to every sort of debtor except the man who is not and never has been up to his neck in debt. Sam says, "If you can prove to me that you are such a bad risk that nobody else will lend you anything, then sign this dotted line and I'll make you a loan. You are the very sort of a debtor I am looking for." Or, "If you can prove that your corporation hasn't been making money, and isn't likely to make any, then we might talk about letting you have a few millions."

Does a city get too big for its breeches, a State bog down in bond issues; who now comes to the rescue? Your Uncle Samuel—that is to say, you and me. Only the other day the Mayor of Chicago hit on a pretty idea for paying the school teachers their back salaries. Issue some bonds and sell them to the Federal government, he suggested. As I recall it, the school properties were to be put up as collateral. That detail doesn't matter, for both Congress and the Illinois Legislature would have to become dizzier than they are at present before the deal could be consummated. That same week the wires hummed with the news that the government had sent a check to the biggest corn farmer in the corn belt—something over $100,000, as a loan on his impounded grain. A correspondent added that this was likely to cause a stampede for government loans. I should think it would.

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So Sam has a lien now on that farmer, as he probably has on the railroad that passes through that farmer's county seat, and perhaps on the bank which used to make loans to him. As he goes about acquiring prior liens on capital assets, Sam naturally must be allowed a word as to how the business is to be run, how much salary the president is to get, and what wages are to be paid. That has come already in the railroad industry. It will come elsewhere. Make up your mind, Comrade, make up your mind—to like it.

Does your town need a new water works, or power plant? Are there cracks in the pavement on the court house square? Would the kiddies like a new playground at the schoolhouse, with a swimming pool and plenty of parking space for the cars so necessary for any child living more than three blocks from school? Get in touch with Washington, preferably through the boys who run things in your state capital. The money will probably roll into your town generously. Most likely it is already doing so. The P. W. A., though it intended to allocate the last dime of its $3,300,000,000 before Christmas, isn't spending money as fast as it allocates it. Not so the Civil Works Administration. Checks went out to more than two and one-half million individuals on CWA payrolls the week before Christmas. We are promised that four million Americans will be getting them before the winter is out. The CWA is fed by the PWA, but when Mr. Ickes asks the new Congress for another billion and a half or so, probably Mr. Hopkins will step up and suggest that Congress cut a piece of cake especially for the CWA.

As compared to the big handouts of the RFC and the PWA, there is this to be said in favor of the CWA: it *is* pumping money into circulation rapidly among people who have had little money to spend. Such money travels with great velocity, if any money does. It enters quickly into trade channels every Saturday. How wisely it is spent should perhaps be left for the philosophers and historians to worry about.

Most of it certainly goes for the necessities of life, many of which the recipients have had to get along without these past few years. When the first CWA pay-checks were issued in Cincinnati, there was such a rush for automobile license plates by those who had previously been obliged to keep their cars off the streets, and to try walking, for a change, that the license bureau itself had to be turned into a civil works project to handle the crush! In some towns the CWA has wiped out unemployment completely. In others, particularly in southern communities where wages are low, civil works pay is higher than that provided by some individual employers. Not a few poorly remunerated men have given up other employment to perspire for the CWA. Naturally each section is eager to get as much of the gravy as possible, hopeful of having more than its share, so that when the time comes to pay the piper through taxes, it will be some other locality that gets stuck for more than it received.

Doubtless the CWA is, in places, too much of a good thing. Anyone who keeps his eyes and ears open will quickly realize that. Every little member of a Legislature, every county or city officer of influence, in brief "The Boys" are doing their best to take care of their pet projects, their dreams, their voters, to see that these receive as much as the next fellow, and, if possible, a little bit more. Lateral roads are improved, creeks are cleared of obstructions, weeds are cut, the schoolhouse receives a new coat of paint.

Poor Herbert Hoover in the second winter of his bewilderment asked the people to "spruce up," to put money into circulation by making improvements around the house —and the two car garage. He was naïve enough to want them to use their own money for such purposes at a time



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when pay cuts and dismissal notices were the order of the day among the creators of his New Era. Hardly anyone spruced up. But every hamlet and county is doing it now, because the 1933 idea is for Sam to dig the dollars for the national beauty treatment out of the public till. Good old Sam. What a man!

Because of its present generosity, the Federal government henceforth has a lien on local taxes the country over. Is a state unable to peddle the bonds it authorizes for relief work? Very well, Sam will shoulder the whole burden. He has done it already in several states, among which might be mentioned the bailiwick of that garrulous genius on the redistribution of wealth, His Piscatorious Majesty, the Kingfish. Nevertheless, he would like you to believe that "except for being a part of the United States, Louisiana would never have known a depression."

While the government lends right and left, and keeps to itself its intentions as to the valuation our money is to have when the tinkering is ended, Mr. Jesse H. Jones, chairman of the RFC, jumps out to the bankers' convention and lectures the money lenders on the need for opening their purse strings and pouring out credit. He has been a banker long enough to know that the sound bankers of this country, the ones who kept their heads through the 20's, and even many of those who didn't, are actually going out in the highways and byways looking for good borrowers, for the kind who pay back what they take. Bankers haven't any right to lend other people's money to the other kind of borrower. Daily the proportion of loans to deposits has grown less as the banks have increased their liquidity. Make loans, make loans, says Mr. Jones. But the next morning the Comptroller of the Currency tells the banker that this loan has been running too long, that another should be called. Where to put to work the money that is stuffing his institution is a problem worrying more than one good banker. Deposits have become a liability in fact as well as in name, and they probably will remain so until the uncertainty over where the dollar is drifting, and where it is to be anchored, has been removed.

We are told that the Administration wishes to re-establish prices on the 1926 level, that the devaluation of the dollar is one part of a program to make it easier for debtors to pay their obligations, for optimists to be optimistic again. So far the President has moved cautiously, if boldly, but whether Congress may be inclined to do the same remains to be seen. Until it is seen, until the dollar is linked to something solid, somewhere, it is futile to preach the need of confidence or to hope for wide expansion of private credit.

After all, it was the abuse of credit which put us in the pretty pickle that now sours our economic existence. In the last five years of the 1920's there was but little change in the total sum of wages distributed in the United States, but during that time the index for corporation debt almost doubled. Maybe a fifty cent dollar will enable the borrowers of that dizzy day to get their shoulders back under the burden. Maybe it won't. But if a fifty-cent dollar is necessary to make it possible to pay for the New Era, what kind of a dollar will be required to pay for the New Deal? The reductions made in the public debt between 1922 and 1928 have been more than offset by the increases since that time. As these lines are strung out in mid-December, the public debt as announced by the Treasury is the highest it has ever reached in peace time, just above twenty-three and one-half billions. Mr. Lewis Douglas tells us he may not be able to balance the budget in 1934, but that he certainly intends to do it in 1935. Meanwhile the National Industrial Conference Board puts its shining statisticians to work and figures that the New Deal has already rolled up liabilities totaling nearly twelve billions, without taking into consideration $3,400,000,000 to represent the lending ability of the Reconstruction Finance Corporation. Is there anyone who imagines that the RFC's collecting ability will equal its lending ability?

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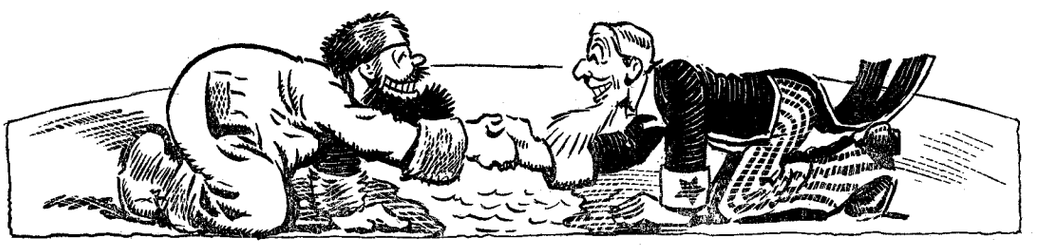
The difference between those two abilities, the difference between all the other loans the government is making and the amount it eventually will collect on them—that is for the taxpayer of tomorrow to worry about. The timid soul who never got into debt, who never bought something he couldn't afford, who always lived within his means, he is being asked now to pay through the nose in order to pull the country out of the mud into which the promoters, the New Era bigwigs, the big shot borrowers and the credit expansionists bogged it down. And tomorrow he, or the children to whom he has taught thrift, and moderation, and temperance in all things, will be asked to pay for the New Deal. Or perhaps by then Ivan will have taught Sam a thing or two about repudiation. Sam's cousins already know about it. Come what may, here's wishing you good luck, Sam. Ivan, I raise my restored glass of vodka. *Za Vashe Zorovya!* We are brothers under the skin game.





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# The Return of Lotteries

## by Martin Sommers

Thirty nations today operate official lotteries, France being the latest to repeal the ban on this form of gambling. Mr. Sommers discusses the return of lotteries and the coming battle for their restoration here and in England.

DURING the hopeful days of the American Dark Ages, when it appeared that we really had a chance to get somewhere with repeal, the prohibition generation regarded lotteries as a vague racket through which gangsters swindled darktown charwomen out of their pennies, dimes, and dollars. Today, less than two years since those days, the prohibition generation learns with some surprise that about thirty governments in the world have muscled in on the lottery racket. Practically everywhere in the world except in the United States, England and Japan governments are conducting thoroughly honest and highly respectable gambles for their patriotic nationals. And the governments are taking their generous cuts as the most painless form of taxation possible in these times.

That the lottery, once labelled by Henry Fielding "a taxation on all the fools in creation" and frowned upon generally, is a government institution in thirty countries is surprising enough. What is even more surprising is that the re-born lottery is nowhere as overwhelmingly successful as it is among the thrifty, gold-hoarding, conservative French people.

Nobody likes to pay taxes. The French enjoy the operation perhaps less than any other people. Even during the good post-war years Louis Loucheur, the French politician and munitions multimillionaire, angrily told a debating Chamber of Deputies that things had come to such a pass only *poires* (pears, Parisian slang for saps) paid taxes in France. Undoubtedly hundreds of thousands of Frenchmen, master of improvisation, were then wangling their way out of payment.

Things got very much worse recently, what with the unbalanced budget, gold headaches, and so on. The French Government was desperate in its search for new revenues. A lottery was suggested. Conservatives protested that France had resolutely thrown out lotteries in 1836, that this form of raising money belonged to the primitive days when Augustus, Nero, and Heliogabalus balanced the Roman Empire's budget through lotteries. The necessity of getting many francs somewhere, and quickly, finally silenced their arguments. Even so the French Government began very timidly issuing only 200,000,000 francs, or about $17,000,000 worth of tickets on September 20, 1933.

The tickets were gobbled up by the thrifty French with such joyous and feverish speed that even the pro-lottery people were amazed. The frequently unaccountable French seized on the national lottery as a new amusement with the delirious enthusiasm of which they are capable at times when it is least expected.

All the peacetime poilus, along with their packets of *jaune* or *bleu* tobacco (or rather what the government sells as tobacco in its monopoly shops), bought lottery tickets as quickly as they could. The ticket served a Frenchman as a little magic carpet on which he could travel to the land of Heart's Desire in his dreams—at least until the drawings. With Napoleonic certainty he believed he would win something, doubtless the 5,000,000-franc first prize. During the days of late September and early October the French forgot their troubles to speculate wildly about their chances in this new, gay national game.

The government rushed new issues, announcements of dates for new drawings. Newspaper cartoonists had a field day. There were cartoons of tenants, on rent day, exhibiting their lottery tickets and telling the landlords, "Everything will be all right as soon as I win." The great gag was to meet your friend Duval, the broker, wait until he asked you if business was getting better, and then answer: "And how! I have a lottery ticket."

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All Paris roared over the celebrated case of M. Chazarin, a lowly government clerk. M. Chazarin took aboard a generous quantity of fuel at the neighborhood *buvette* one night, and plunged by buying a higher bracket lottery ticket for 100 francs. Mme. Chazarin's sense of frugality was outraged. She had been saving sous for thirty years. Mme. Chazarin decided to save what she could from the wreck and sold the ticket to the corner baker for 50 francs. The ticket won 50,000 francs, or about $3,000. Furious M. Chazarin promptly up and sued his wife for divorce on grounds of "connubial fraud."

Drawings were made into nights of fete by the Parisians. They flocked to the famous Trocadero Theatre. As many as could jam their way in cheered when winning numbers, on balls spun around in six huge metal spheres, were drawn by children from the French National Orphanage.

The series of French lotteries proved such a success that



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at the end of 1933 those in charge estimate 2,000,000,000 francs, or around $140,000,000 worth of tickets were sold.

From the total received the French Government gets 40 per cent for pensions and for farm relief. When audited the Government's total cut—a new revenue, falling like manna—will be around $50,000,000, the experts say.

French officials announce they believe the success of the lottery was achieved because of the wisdom with which prizes were distributed. They made sure everybody in France would have a friend who had a friend, who knew a fellow,who won a prize. The division of prize money from each 200,000,000 francs received was: one first, 5,000,000 francs; fifteen seconds, 1,000,000 francs each; twenty thirds, 500,000 francs each; 200 prizes of 100,000 francs; 200 prizes of 50,000 francs; 2,000 prizes of 10,000 francs; 200,000 prizes of 200 francs.

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But France, surprisingly successful with its lottery, isn't the only country astonished at the response to this re-born form of getting money. The Republic of Panama participated very profitably in a Sweepstakes on the Christmas Handicap run at Panama City on Dec. 24 last. Tickets, sold in issues of $500,000 each, were peddled throughout the United States, our laws being unenforceable. The Republic of Panama painlessly taxed plenty of citizens of the Republic of the United States of America for the upkeep of Panama public hospitals.

The Panamanians tried the lottery system of taxation for the first time and had to rush new issues of tickets rapidly. Last reports were that they are definitely committed to sweepstakes and will continue participation.

Of course, for years the Irish Free State has taken a $4,000,000 to $5,000,000 slice of revenue annually from the $35,000,000 spent throughout the world on tickets for the several Irish Hospitals Sweepstakes based on the Epsom Derby, the Grand National at Aintree, and other horse races run in England—where lotteries are forbidden. Most of the money invested in the Irish sweeps is spent by the gambling Englishmen and Americans.

Down in Mexico, a successful, honest $20,000,000-a-year lottery is operated by the Government. Around $3,500,000 is taken by the Government annually from total subscriptions for the support of public hospitals. Spain has enjoyed its $25,000,000 Christmas lottery, once the biggest in the world, and sliced considerable revenue from it. Cuba has its lottery, and it flourishes in an orderly fashion even at times when governments are changing and people are being butchered in Havana streets. Benito Mussolini is showing an inclination to conduct more and more lotteries for various public works in Italy. Of course, for years Rome, Naples and Venice have had their weekly municipal lotteries; and more lotteries are yielding a higher revenue to South American governments than ever before in history.

Latins are by no means the only people to whom the gambling system of paying painless taxes comes easily. Adolph Hitler in recent months conducted a national lottery to raise funds for unemployment relief. "Every nationally minded citizen" was "expected to buy a ticket," Hitler told his Nazis. Germans won $520,500, including a $69,500 first prize. Sweden's national lottery is extremely popular, and the government's slice from it goes for the support of literature, art, drama, and music.

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The one country where a national lottery does not appear to provide very much fun for the people is Soviet Russia.

The U.S.S.R. operates its lottery in novel fashion. Everybody who buys a government bond is given a ticket eligible for a cash prize. This is done to cheer up the Russian workers, because they have to buy bonds. They are told how much will be taken out of their pay weekly for the purchase of these government securities. If they object they face the prospect of losing their food cards—*starvation;* so they all buy the bonds as ordered.

On the day of the drawings newspapers and the radio flash the winning numbers of tickets which the workers pocketed with their bonds. But only a few of the winners ever bother to collect their lottery winnings. They don't see any use in having the money because there is practically nothing in Russia on which they can spend it. As a result the Soviet lottery treasury has unclaimed prizes amounting to 19,000,000 rubles in its coffers and nobody seems to want them.

With most of the rest of the world enjoying the dreams and revenues incident to lotteries, the question evolves:

Why are lotteries and sweepstakes of all kinds prohibited by national laws in Japan, England, and United States?

The Japanese problem can be disposed of most quickly. The serious-minded Japanese, in sharp contrast to the more genial Chinese, are notoriously poor gamblers. All sorts of betting on horse races, and most racing, was rigidly outlawed in Japan years ago after an infuriated track crowd not only hacked the jockeys to pieces, but a horse as well, because losers thought the race had been fixed. After these fatalities the Mikado and his Elder Statesmen decided that gambling and the Japanese temperament, devoted to a ritualistic precision in its design for living, did not mix.

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Here are the facts about England:

Once the lottery was the Government's favorite form of raising new levies in England. Queen Elizabeth went in for lotteries on a grand scale. Under the questionably virtuous rule of George IV a flock of Puritan scruples were embodied in the Act of 1826. With lotteries barred, betting on horse races quadrupled. Today Englishmen are the greatest buyers of sweepstakes and lottery tickets in the world; they spend an estimated $200,000,000 a year on them, from which their government does not get a farthing. The Irish Hospitals, Calcutta, and other famous "Sweeps" are supported chiefly by Englishmen scattered around the world.

Bluff, hearty Sir John George Stewart-Murray, the 66-year-old Duke of Atholl, richest man in Scotland, holder of the D.S.O., is the field marshal leading the battle for the legalization of lotteries in England. His Grace hasn't exactly declared war on England although, by an 1845 de-



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cree of Queen Victoria, he commands a private army of 300 Highlanders who wear the Murray of Atholl tartan of blue and green squares. But he has stalked down to Bow Street Police Court in London and cheerfully got himself fined twenty-five pounds.

His Grace, a sportsman and Scotland's first nobleman, with the privilege of holding royal court at his feudal castle, grew so disgusted with seeing Englishmen send their money to Ireland and Calcutta that he decided to do something about it. He began to sell flocks of tickets, with the sole explanation that the proceeds would be "disposed of in such manner as the Duke of Atholl shall, in his absolute and uncontrolled discretion, see fit." When asked what his "absolute and uncontrolled discretion" might do with the money, the fighting Duke smiled blandly and said he had a message "from Heaven."

Exactly 337,000 Englishmen had so much faith in the Duke's discretion that they paid an average of ten shillings, or a little better than $2.50, for the tickets. From the proceeds His Grace gave $290,000 to needy British hospitals. The rest of the $180,000 he distributed as 748 gifts to certain ticket holders, without explanation.

Punctilious Scotland Yard haled the distinguished "King of Scotland" to common, dreary Bow Street and there he was fined for violating lottery laws—just as any Whitechapel punter might be fined. He contended gallantly that since he made no promises there was no contract, and therefore no lottery.

When his ingenious defense failed, the embattled chieftain of the Clan of Murray immediately appealed, and he served notice that he would continue to journey to Bow Street to be fined, if necessary to continue his private war.

On November 30 last the Duke of Atholl stalked into the House of Lords and voiced his defy:

"During the whole time the authorities have been busily engaged in proceedings against me, tickets for the next Irish Sweepstakes on the Grand National have been on sale in this country, and readily obtainable in all classes of society. Thousands of pounds worth already have been sold.

"The attitude of the Government, I understand, is one of entire disapproval of betting and gambling in any form, yet sweepstakes are going on everywhere here and abroad. Millions of pounds are finding their way into the hands of those who are openly disloyal to the King through the Irish Sweepstakes."

The Duke of Montrose chimed in by telling the peers that "if the present laws were strictly enforced more than half the vicars in the country would be imprisoned tomorrow for their part in raffles."

As was the case in England, laws against lotteries were enacted in the United States in an effort to raise the personal moral standards of individual Americans. In both countries the procedure was the same. Professional reformers discovered dishonesty and abuses in many of the legal gambles of the day, paraded these discoveries with as much hurrah as possible, and eventually convinced the mass of the people that everybody would be better off if lotteries were outlawed.

Once our forefathers of both church and state esteemed lotteries as a valuable institution of our national life.

George Washington, in 1776, bought one of the first tickets in the Continental Congress $5,000,000 Lottery. The event was surrounded by as much ballyhoo as now attends the signing of articles for a heavyweight world's championship prize fight, because Congress needed money to fight the redcoats, and the spirit of '76 demanded that as many lottery tickets as possible be sold.

In those days public lotteries constituted the most popular and effective method of raising money for the worthiest causes. Kings College, now Columbia University, was founded directly on the proceeds of a gamble by the citizenry—a widely advertised lottery. Lotteries twice supplied funds for the repair of New York City Hall. The City of Albany paid off its French and Indian War debt by the same method. Harvard, Yale, Brown, and Dartmouth repeatedly invited the public to take a chance for the benefit of higher education. Faneuil Hall in Boston, destroyed by fire in 1761, was rebuilt with lottery profits.

John Hancock and Benjamin Franklin were among the chief patrons of various gambles for public progress and improvements. In those times the Rt. Rev. Samuel Seabury, father of Bishop Seabury and ancestor of our most celebrated reformer, Judge Samuel Seabury, wrote in his diary:

"The ticket No. 5866 in the Light House and Public Lottery of New York, drew in my favor, by the blessing of God Almighty, 500 pounds sterling, of which I received 425 pounds, there being a deduction of 15 per cent; for which I now record to my posterity my thanks and praise to Almighty God, the giver of all good gifts."

The popularity of lotteries swept the country, and reached a peak during the Civil War reconstruction period. This was in the days of the Grand Extraordinary Louisiana Lottery. Once a ticket in this gamble reposed next to the small change in the old cracked sugar bowl on the shelf in at least one out of every four kitchens in the United States.

In carpetbagging days, when Henry Clay Warmoth was Governor of Louisiana and Oscar J. Dunn, a Negro, was Lieutenant Governor, the legislature there voted the Louisiana Lottery Company a charter permitting it to operate from January 1, 1869, to January 1, 1894.

Lottery promoters constituted a privileged class in those days, and—as privileged classes always have throughout history—they abused their privileges flamboyantly and extravagantly. At a time when the Louisiana Company was doing a $28,000,000 a year business, the State collected only $40,000 annually as its revenue. A few honest legislators fought desperately for a bigger cut for the State.

But there were Huey Longs abroad in Louisiana even in those days. A few compromises that still would have left the privileged company promoters deep in clover were refused by them. The lottery people decided to fight. Legislators, frequently accused of wholesale bribe taking, and the most despicable frauds, repeatedly voted down bills to rescind the lottery franchise. One State Senator, the kind of jovial politician who is born about $1,000 behind and never quite catches up, fought the lottery for years, but finally cast his ballot for it as the deciding vote at a tempestuous session of the State Senate. The night he voted for the lottery people he fell dead of a heart stroke. A sheaf of eighteen new $1,000 bills was found in his money belt.

Louisiana clergymen and associated reformers broadcast news of the greed, dishonesty, and piratical arrogance of the Louisiana lottery promoters far and wide. Small merchants and solid citizens from Maine to Mexico were told time and again that if the nation's spenders didn't pour $28,000,000 annually into the maw of the lottery monster this money would go into the tills of legitimate business. The



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argument was the same one the Anti-Saloon League used later to put over prohibition.

As a result the Louisiana Lottery was quickly exiled to Honduras, by Act of Congress in 1893, and it eventually died there because of the avarice and crookedness of the people who ran it. Here is the gist of snaggle-toothed Section 213, put in the Criminal Code to end the Louisiana Lottery and still there:

"No letter, package, postal card, or circular concerning any lottery, gift, enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance; and no lottery ticket or part thereof, or paper certificates, or instrument purporting to be or to represent a ticket, chance, share, or interest in or dependent upon the event of a lottery, gift, enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance . . . whether said list contains part or all of such prizes shall be deposited in or carried by the mails of the United States, or be delivered by any postmaster or letter carrier."

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The sharp teeth in the law enacted in Victorian days provide a penalty of $1,000 fine, or imprisonment for not more than two years, or both.

Can the law be enforced?

A Post Office official in charge of detecting fraud in the mails says that enforcement is "simply impossible." Unless letters taking lottery tickets to subscribers carry advertising matter of a lottery or sweepstakes organization on the outside envelope there is not one chance in a million that they will be suspected and opened.

Various state laws, most of them modeled on the New York State Statute, are even more strict in prohibiting lotteries or sweepstakes. And they are even more fantastically unenforceable.

The New York State law holds that anybody who "participates" in a lottery is guilty of a misdemeanor. The giving of "any consideration" for a chance to win a prize constitutes participation.

If the Ladies Aid Society of a Baptist church in Zion City, New York State, gives a charity entertainment, charges no admission whatsoever, but nevertheless gives a "chance" on a crazy quilt to every one who attends, is that a lottery? It certainly is, under the law. The best legal authorities rule that the attendance of the individual in itself, regardless of the fact that no admission is charged, constitutes the "consideration" for which the "chance" is exchanged.

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Of course, the law is never enforced. Wise prosecutors prefer to let sleeping laws lie. If they attempted to enforce laws making such raffles a misdemeanor, they would find themselves embroiled in attempts to send our leading Catholic, Jewish, and Protestant clergymen and laymen to jail. A check-up shows that churches, worthy charitable organizations, lodges, and fraternities constitute about 80 per cent of the lottery law violators in this country today.

What is the case for a change in our lottery laws?

A survey I made with the help of the men who head the largest and best organized syndicates bootlegging lottery and sweepstakes tickets in this country reveals that $30,000,000 is spent annually by Americans in these gambles sponsored by other governments. In other words, $30,000,000 of our money goes out of this country each year to pay taxes for citizens of the Irish Free State, Panama, Mexico, Cuba and South American republics.

Experts estimate that the United States could realize $100,000,000 a year in new revenue from a legalized national lottery, and provide jobs for about 50,000 people employed in running the machinery of the enterprise.

Another important argument for a legalized lottery is that it gives the tax-weary citizen something in return for the money he shells out to his government year after year. —even if that something is only a pleasant dream. The lottery gives fun. France found the playing most enjoyable and made the lottery a new national amusement. People everywhere relish day-dreaming about what they'll do *if they* win. In these times most of us are not over-burdened with waking dreams of happiness.

The chief argument against the lottery is that it destroys the citizen's sense of civic responsibility (in other words, his willingness to pay taxes without hope of return) and breaks down the moral fibre of the individual human. Those opposed to lotteries can truthfully cite hundreds of cases of men who won cash prizes, got drunk, beat their wives, abandoned their families, eloped with demi-mondaines, and finally died penniless.

Is there any immediate hope of a change in our lottery laws?

Governor Albert Cabell Ritchie, one of the very first of our statesmen to denounce prohibition and a leader in the long fight for repeal, now boldly proposes to operate a sweepstakes on the Pimlico Preakness and Futurity in his Free State of Maryland.

This winter Governor Ritchie found revenues for unemployment relief in Maryland inadequate. No new revenues were in sight. With his customary forthrightness Governor Ritchie, who has been thinking ahead of other politicians for years, now tells the Legislature he wants to change the Maryland constitution so that sweepstakes can be operated by the State. A vote by the people of Maryland next November on whether to permit a State sweepstakes lottery is now pending.

Whether Governor Ritchie proposes to get around the Federal law by abstaining from using the mails, or whether he intends to go to United States Supreme Court and try to prove that a horse race sweepstakes is not a lottery but a game of skill, is not known at this time. The Maryland experiment will be worth watching.

The probability is that because of moral objections our lottery laws will not be changed unless the economic pressure gets strong enough.

Shouting about violation of personal liberty and the exhibition of plenty of proof that prohibition was not enforceable did not, in the final analysis, produce repeal. The appeal which brought repeal was the appeal to the pocketbook of the tax-weary citizens who for years voted dry. When they were told that some of the tax burden would be lifted from their aching shoulders if the Government was allowed to get new revenue from liquor, they abjured further responsibility for the habits of their fellow men and voted for repeal.

If those who now believe the human gambling instinct should be legally curbed find their future tax burdens too much to bear they will recant and lotteries will come back in this country.



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# So New York City Has a New Mayor

## By Samuel Taylor Moore

The phenomenon of the Fusion party, and its recent success in municipal elections throughout the country, is discussed by Mr. Moore in the light of the recent political upheaval in New York City.

NEW YORK CITY has a new Mayor.

The symbol of all which that hopeful statement implies was to be observed in the simplicity attending the inauguration of Major Fiorello LaGuardia as chief executive on January 1. Not for twenty years had the pomp and ceremony of a new Mayor's induction into office been other than front, a circus to beguile the citizens from the real truth that their metropolis would be run as usual from the wigwam adjacent to Union Square and for the chief benefit of Tammany and its faithful. The brief and businesslike routine which made Major LaGuardia mayor outstandingly marked the return of city government to City Hall.

The task of purging that government of graft, of corruption and of doleful inefficiency may be left with confidence to the fearless, tireless diminutive bundle of fighting energy who was the successful Fusion candidate. How Major LaGuardia will carry out his campaign pledges, whether his policies will prove satisfactory to a majority of the people, and importantly to the group of leaders who sponsored his campaign, will be determined by his actions. But it is not enough that New York will be run by a real Mayor for the next four years. The success of Fusion also symbolizes to many an awakened public political conscience. To perpetuate honest government beyond the present administration is the desire and ideal represented in the Fusion victory. Can it be done?

New York City was not the only great American city to experience a triumph of the forces of good government in recent municipal elections. Elsewhere, notably in Philadelphia, Cleveland and Boston, entrenched political organizations enjoying perpetuity by machine methods comparable to Tammany Hall were driven from office. Voters of a thousand other cities large and small troubled by native hogs wallowing in the trough of hard-met taxation are anxious to do likewise.

In that situation various good citizens want to know how Fusion won in New York City. It is possible to analyze the Fusion victory in retrospect, but it must be questioned whether there can be evolved therefrom any exact formula applicable to conditions in other cities. Politics never are static. Political exigencies which may be capitalized into issues to arouse the voters obviously will vary in every city, and from campaign to campaign. It is the history of Reform governments that rarely do they succeed themselves. Fusion never has. Will it be different this time?

The spectacle of an aroused and angry electorate flocking to the polls to drive out the rascals is heartening to see. There are those who envision in recent events the birth all over the nation of permanent non-partisan political groups unselfishly determined to perpetuate honesty in popular government.

If such are but dreamers the dream is not to be disparaged. Yet to rationalize the several victories for good government last November compels the observation that each actually was a revolution with ballots. In every municipal overturn the dominating note was grievously burdened taxpayers and innocent victims of the existing economic chaos rising in rebellion against the *"ins"* as the partial if not the complete authors of their woes.

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The weakness of such revolution is that it is prompted by emotional hysteria. Seldom is such burning resentment sustained through the years from one election day to the next. The truth is that voters have only themselves to blame for the shame of corrupt municipal government. In times of piping plenty Americans notoriously are indifferent to corruption, not only in city and state, but in the national government as well.

It must be admitted that such indifference was widespread in New York City when the present Mayor was a candidate four years ago. With no less fervor and energy than he employed in his successful campaign of last fall, Major LaGuardia in 1929 informed the electorate of existing graft and corruption permeating the municipal government. He then named names, dates and places where such evil existed—and the information was received with great calm. Political experts draw a distinction to explain why campaign charges ignored in 1929 aroused the fury of the voters in 1933. They say that the charges in 1929 were regarded as irresponsible. Not until they had been confirmed by the Seabury investigation did the electorate heed them. Such reasoning is specious. New Yorkers had money in pocket in 1929. With the wherewithal for bread and circuses in hand whether their government was honest



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or dishonest did not concern them. The pinch of poverty chiefly focused attention upon Tammany misrule. Individual suffering prompted individual resentment.

Without question the same individual reactions were basic influences in other successful reform elections, using reform in its best and true sense. Conceding that the new municipal rulers generally will be a satisfactory improvement upon the old system, the important question of perpetuating honest government by re-electing independent Mayors remains. The new mayors are just now beginning to face the problems of office. Whether they may command the continued support of those who helped them into office and whether the electorate will maintain its mood of interest will depend upon how well the new municipal skippers avoid the dangerous shoals inherent in policies and also in patronage.

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Because New York City as America's No. 1 metropolis is a symbol of that hoped for permanence of good municipal government we may examine the major influences in the election of Mayor LaGuardia, and beyond that anticipate events for the next election. Much may be learned by studying the mistakes of New York's previous Fusion incumbent. Four years after his decisive election in 1913 John Purroy Mitchel trailed a poor third when he sought to succeed himself.

Not only Mayor LaGuardia but all new mayors representing reform may profit by that case history. But first to consider the decisive factors in the last successful campaign —factors which will not repeat themselves exactly in 1937.

Normally New York is preponderantly Democratic. The backbone of any successful Fusion movement must be 450,000 regular Republican ballots. The veteran Republican leader of New York, Samuel S. Koenig, long had been accused of log-rolling with Tammany. From the standpoint of practical politics his policies had resulted in the collection of a fair share of spoils for a hopelessly minority party. But Koenig definitely stood as an exemplar of defeatism. Had times been normal, had he been in a position to exercise his usual power, it is fair to assume that he would have insisted upon a Republican candidate no more potent than the one he selected to oppose the tragically weak O'Brien in the special election a year before. But fortunately Mr. Koenig was in no position openly or otherwise to play ball with Tammany. His position as boss was seriously threatened by revolt among his own ranks. To act with his usual autocratic assurance was impossible because of that threat from within. Wherefore the delicacy of his own position effectively prevented him from interfering with the aggressive Fusion forces as they took over the Republican machine.

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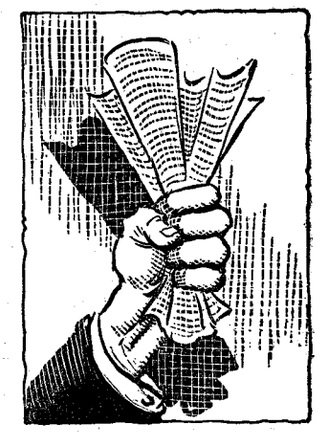
The dominating force of the Fusion movement in its highest tactical phase was Samuel Seabury, arch foe of Tammany for many years before his sensational public revelations of that machine's corruption. It was at Seabury's fighting insistence that the first mayoralty nominee of the Fusion committee was prevailed upon to decline the nomination. Astutely Mr. Seabury sensed that a retired general such as Major-General O'Ryan would think in terms of higher tactics and strategy. The need of the occasion, Mr. Seabury knew, was a give-and-take fighter of the lines. As an expert on Tammany corruption, as an alleged recent victim of Tammany manipulation of votes, as a candidate for Congress, as a two-fisted, independent thinker who time and again had disdained party regularity to battle for the dictates of his conscience, Major LaGuardia was the ideal candidate.



It must be said that the reason Major LaGuardia's nomination did not arouse active opposition from the hacks of the Republican organization was that few political wiseacres believed he had a chance to win. Ostensibly he was a twice-defeated candidate. The psychological effect of that record was considered fatal by all save loyal personal friends and sworn Tammany enemies.

If in mid-summer the outlook for a Fusion victory was drab that situation was to prove a real asset. Only men with fighting spirit are willing to battle for a principle! Notoriously political hacks avoid hopeless causes. Thus the bleak political horizon in late July and early August enabled the selection of a supporting ticket strong in the lofty personal character of its candidates and effectively non-partisan in flavor. It may be questioned whether any Fusion ticket in the history of that movement in New York ever presented a better array of unselfish fighting talent. That consummation resulted from the hopeless outlook of the period.

But that same situation resulted in an apparent handicap. Political money-raising is a hard nut to crack in any municipal campaign. The apparent hopelessness of the Fusion outlook at its start plus hard times made the raising of funds to all intents an impossibility. But strangely enough that situation was to eventuate as a decided advantage as the campaign progressed.

Pay-roll patriots do not besiege any political headquarters with empty coffers. Result Number One was that most Fusion workers were unpaid volunteers. That in turn meant unselfish, enthusiastic effort. If hard times meant public absence of cash, it also meant free office space for the asking. The campaign budget was not troubled by rent items. No funds were available to hire professional orators. That resulting lack of rhetorical effulgence was more than compensated by the desperate sincerity of volunteer speakers. There was no money at hand for billboard advertising and likewise none for paid newspaper advertisements. The fervor of friendly newspapers crusading for Fusion was much more effective than any amount of paid advertising could have been. And finally, of course, there was no cash for paid audiences. Fusion campaign managers at all times knew that applause and enthusiasm at party rallies never was that of a hired claque.

It would be untruthful to represent that the Seabury investigation alone exposed Tammany corruption. The average New Yorker had suspected, or had known of, the existence of widespread graft and bribery in his city government for half a century.

As has been said he was indifferent to such conditions so long as his personal fortunes flourished. But in the existing widespread unemployment and genuine suffering



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throughout the greater city the Seabury revelations could be and were effectively dramatized as a direct relation between Cause and Effect. Nor should it be forgotten that in the happy event of the elimination of such conditions the issue of reform by which voters are aroused disappears at the same time. Therein may be found an illuminating political paradox for all good-government sponsors to ponder.

Despite the dire need of municipal housecleaning in the cities which finally achieved new governments each good government group faced moments of doubt in the shifting kaleidoscope of politics, the Fusion campaign not excepted. In early October in New York it appeared that a LaGuardia victory was assured, when suddenly that happy prospect was darkened by the unusual specter of National Democratic interference. The impetus which attended the entry of the Farley-Flynn sponsored candidacy of Joseph V. McKee as head of the so-called Recovery Party caused anxious moments at Fusion headquarters. For many days the situation prompted a stampede of voters, mostly Tammany to be sure, to the new organization, for such sponsorship appeared to promise Federal jobs for the faithful if there weren't city jobs enough to go around—preference in Federal jobs to the deserving in any event. The need for stout hearts at Fusion headquarters in that initial period was great—and the stout hearts were not lacking. LaGuardia and Fusion might be licked, but at least they would go down fighting. Fusion's fighting qualities were proved in those uncertain days—they only fought the harder as the Recovery tidal wave appeared about to overwhelm them. Then came a "break."

The final factor in Fusion victory attended the unfortunate attempt of Mr. McKee to raise the racial issue—particularly acute as a general, world-wide issue because of the Hitler anti-Jewish policy in Germany. His sponsors had completely overlooked the fact that on that issue Mr. McKee possessed the vulnerable heel of Achilles.

Theoretically such appeals to race prejudice should have no part in the issue of good government. Yet the undeniable fact is that they do. And that is another factor for good-government advocates to ponder. Another important factor for Fusion success was a good "press," and an ably directed publicity campaign.

As to the election itself, William M. Chadbourne, head of the Honest Ballot Association and who also ran the Fusion campaign with rare capability, estimates that between 50,000 and 100,000 votes were miscounted in favor of Tammany candidates, and that approximately 40,000 voters were intimidated from exercising their franchises in behalf of Fusion or Recovery. Those figures may be a disgrace to election methods in the first American city, but bad as they are, it may be observed that Tammany influence would have been much worse had the Hall and its district leaders believed their leading candidates possessed a fighting chance.

Quite aside from the unpredictable issues which will decide the city election four years hence, Major LaGuardia must look ahead with political wisdom if he hopes to succeed himself at that time. Major LaGuardia may personally profit by studying the major political errors of his Fusion predecessor.

John Purroy Mitchel developed what amounted to a society complex following his election. The desire to attend Park Avenue teas and social *fêtes* is not in itself a heinous offense but such activities provided the Hearst press with deadly venom which it utilized to the utmost in 1917 in creating social prejudice among the masses. Major LaGuardia is a confirmed social Bohemian. It is unlikely that he ever will be vulnerable to similar ridiculous, but none the less effective, campaign twaddle.

Aside from such variations in background and personalities other lessons stand out from the old Fusion campaign.

Mayor Mitchel failed to keep his outlying political fences in repair. Manhattan was his own fair-haired child, the outlying boroughs he treated as step-children, if not as orphans. Voters of those boroughs, thin-skinned politically in any event, strongly resented such treatment. Although Major LaGuardia has announced that he will perform a minimum of public speech-making and dining, one may depend upon it that such civic invitations as he does accept will not be confined to Manhattan.

John Purroy Mitchel neglected to maintain close contacts with the leaders who sponsored his first candidacy. In the pressure of his official duties such neglect need not be construed as lack of appreciation, or of loyalty. Few of the men who hate Tammany for what the machine represents sought rewards for themselves. Primarily they wanted good government. Further, it is inevitable that every important office holder is pressed upon by bootlickers and sycophants subtly appealing for favors by flattery. It may be said the Latin temperament is more alert to false praise and self-seekers than the Irish.

It is to be questioned if ever New York City had a Mayor more free of political obligations in either policies or patronage than has Major LaGuardia as he takes over the reins. The new Mayor made freedom of decision in appointments a prime condition of his candidacy, welcoming the responsibility which such untrammeled selection entails. That such freedom of power was readily granted by his campaign sponsors is not only a mark of their confidence in the judgment of Major LaGuardia in picking capable assistants, it is also a tribute to the lofty unselfishness of the present Fusion leaders.

In that particularly happy circumstance—truly unique in the history of American politics—may be found assurance that the new Mayor will have no cause to repeat the final deadly mistake of the Fusion Mayor in 1917.

Few of Mayor Mitchel's 1913 supporters were prominent in his final campaign, chiefly because they were not invited to aid. He had drifted away from them. Their places were taken mostly by members of the Chamber of Commerce. Undeniably such were honest businessmen, but they lacked the fire and unselfish fighting spirit of the ancient enemies of Tammany, also the political astuteness. They did raise a million dollar campaign fund but the recent Fusion victory emphasized among many new lessons in political strategy that an almost empty campaign chest may well prove an advantage. The swollen campaign coffers in 1917 attracted many political hacks.

Tammany regards the new Mayor strictly as an interlude office-holder. In every other city where an entrenched organization was driven from power the same feeling exists. If the recent Fusion victory truly is a symbol of an aroused electorate—and however splendidly unselfish the leadership, it is lay votes which determine elections—considerations of practical politics such as here are recited cannot be overlooked. For despite the record of recent good government victories, the millennium is not yet.



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# The Sheriff at the Fraternity Door

by William E. Berchtold

Did you send your boy to college to be a receiver in bankruptcy? Mr. Berchtold's survey of undergraduate finance indicates that if he's a fraternity man the chances are he's learning this Depression trade.

FRATERNITY ROW on a hundred campi, the cloistered refuge of tens of thousands of young Americans seeking shelter from, as much as knowledge about, an economically frost-bitten world, is getting a first hand glimpse of the much-discussed Depression. It is a belated glimpse, but not less real for the tardiness. That the full impact of the collapse set off by a certain 23,000,000 share day on the New York Stock Exchange in 1929 should be felt this late is only a natural phenomenon for, as Dr. George Frederick Zook, United States Commissioner of Education observes, "The Depression hits schools later than it does the business community. It will linger with schools longer than with business and trade. This year, therefore, probably will be the most difficult year of the Depression so far as schools are concerned."

The average undergraduate, particularly in midwestern and far western universities, might justifiably add an "Amen" to the Commissioner's profound observation, and then a more expressive: "You're telling us?" For the undergraduate has been shouldered with the responsibility for bringing order in fraternity chapter finances out of the chaos left by my contemporary brethren of the 1920's Golden Era. The burning torch passed on with such fervid eloquence by the valedictorians of the Golden Decade has turned out to be a cold candelabra in the hands of the present under-graduate. And he's none too pleased with its clammy properties. I've talked with hundreds of students who are now active members of college fraternities and sororities from Massachusetts to California, and from Washington to Florida, and their stories differ very little, although the sections in which college fraternity expansion has been greatest since the World War—the midwest and far west—produce the weirdest examples of fraternity "high finance" in the building of palatial mansions for the proud wearers of bejeweled Greek letter pins.

The hundreds of collegiate ducal palaces built during a single decade at a cost of more than $75,000,000 (some of them almost completely eclipsed by their mortgages) are at the seat of the present difficulties. It is up to the 60,000 undergraduates, to whom the mansions (and the mortgages) were bequeathed by my optimistically-minded contemporaries of the 20's, to pull the chestnuts out of the fire, with such help as they can get from the alumni, the university faculty, and such philanthropically inclined agencies as Uncle Sam seems to be pulling out of his alphabet soup these days. The undergraduate is not too anxious to get his fingers singed (for many of the most candid will admit that they came to college hoping that through some magic the Depression might blow over before their sheepskins arrived) and all are justifiably wary of the "seasoned" judgment of alumni and faculty alike, for these are the same great minds which nurtured the building programs that now prove such an effective sounding board for the belated echo from the canyons of Wall Street.

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"It's enough to give you the jitters," a senior in a university on the Pacific Coast told me in describing his befuddled state of mind. "I didn't come to the university to untangle the finances of a fraternity which built a $65,000 house in 1928 with an equity of $5,000, yet that's the job that fell into my lap this year. Frankly, I matriculated in the fall of 1930 because you couldn't buy a job in my home town and father thought college would be a good place for me until things improved. I thought I might even learn something, but my head is in a whirl now. Among other things, I studied economics—the law of supply and demand and all that sort of thing—and now Roosevelt is repealing those laws. In political science, I spent months on a term paper analyzing the Constitution of the German Republic; and Hitler, in effect, repeals that over night. But my plight is nothing to the fellows in the 'Ag' school who studied boll weevil control, only to find out that the boll weevil is one of the greatest friends of man and that, barring its effective ruination of the cotton crop, the planter must plow part of his cotton under. It's a crazy world, which I thought I was escaping; but here I am trying to get interest charges reduced, taxes lowered, and maintain a straight face in painting a picture of the advantages of fraternity life to *rushees* in an effort to pledge enough men to insure a sufficient income to keep the sheriff off the front steps of our fraternity house."

This might sound like the cynical reactions of one single disillusioned senior who makes up only 1-60,000 of the whole college fraternity picture, but his candid remarks



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are typical of the undergraduate's experiences at scores of universities today. It isn't necessary to go very far to find the causes of present difficulties. Seventy-five national men's fraternities owned 774 chapter houses valued at $16,132,500 in 1920. Ten years later, these 75 fraternities "owned" 1,874 houses valued at $72,521,174. The national women's sororities underwent a similar program of building expansion during the Golden Decade, twenty-one national sororities stepping up their interests from 101 houses valued at $1,335,700 in 1920 to 525 houses valued at $18,157,260 in 1930. The total valuation of the collegiate fraternity mansions (including local fraternities not affiliated with national organizations) was more than $105,000,000 in 1930, more than four-fifths of that amount being built up during a single decade.

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How were these enterprises financed? The answer unfolds a story which shows that the undergraduate, either male or female, mastered the technique of credit expansion during the 1920's with a facility almost equal to that of their elders, who managed to get 722 credit dollars into circulation for every gold dollar in the Treasury. It was a technique which you secretly felt had a catch in it some place, but when it was explained several times by a glib exponent of the system and was endorsed in the economic classrooms, you merely attributed the newly acquired riches to civilization's new birthright: the American standard of living. I had a box-seat for the entire performance, for I was an undergraduate from 1923 to 1927 in our largest midwestern university where things were not done by halves. We had the world's largest college band (400 pieces); the world's finest football team (Grange, Britten & Co.); the world's largest building without structural supports (an Armory big enough to play football indoors); a Memorial Stadium large enough to seat the entire population of the county and still leave half of the seats vacant; and, among scores of other "firsts," the world's largest aggregation of college fraternities and sororities (130). In my senior year, I was president of my fraternity chapter and while (unfortunately for my story) we did not acquire our new mansion until after I was graduated, I saw all of the supersalesmen of new houses face to face, admired their oil paintings of the kind of French Riviera chateau, Georgian plantation mansion, or lordly English manor house which we might build to compete with our prosperous-looking neighbors, and I learned their catechism of the new economics from the mere force of its repetition.

The whole system boiled down to this: people merely autographed little slips of paper. There was nothing to it; just as easy as rolling off a log. My undergraduate contemporaries took to the new economics with real relish, for there wasn't anything they admired so much as their own autographs. They were affixed to notes of varying denominations for a new Memorial Stadium, for new automobiles, for new clothes, and, of course, for fraternity mansions and their furnishings which were built, building, or to be built. You had to have some money, of course, but a few thousand dollars would be sufficient for all kinds of magic. It was easy to get the original nest egg, too, because all you had to do was to invite the unsuspecting "old-grads" down for a football game, have Grange make a touchdown from the kick-off against some hereditary, if reliably soft, enemy, and the alumni—after a few well-planted speeches at the victory dinner—would have bought you the Brooklyn Bridge or the Woolworth tower. If Homecoming didn't bring all that was needed, there was Dad's Day and an opportunity for father in his favorite paternal pose with pen-in-hand and a dollar cigar (it was provided to turn smoke rings into added ciphers on the check) in his mouth. The technique for handling unsuspecting alumni and visiting fathers was evolved from the days of the Liberty Loan campaign with a few deft collegiate touches of improvement. Fraternities and sororities which didn't get their nest egg in a single campaign or two carried on from year to year, but most of them mastered the art quickly and corn fields fell to the onslaught of the rising collegiate palaces, which sent land values sky-rocketing.

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Now a university such as ours with every natural advantage (band, football team, etc., all the "world's greatests") made success a certainty and most of our $45,000 to $100,000 mansions were built with substantial equities. But it was the "fringe" of the fraternity world on our campus and many of the fraternities at other universities not so richly endowed with the "natural advantages" and not so quick to master the technique, which really produced the most astounding feats of magic. For a time, they were the objects of envy of the entire fraternity world. Thurston and his rabbits-from-the-hat act was a small-town piker, for these fraternities and sororities didn't even have the hat; they pulled their dream palaces out of thin air and anchored them to *terra firma*.

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If you think this is an exaggeration, listen to these actual cases. The first, which is my own alma mater's contribution to the manual of neatest tricks in fraternity house financing, is told in the conservative language of our own Dean of Men: "The local builders were very conservative in general, and did little building without adequate proof that they would be paid and satisfactory equity. The local banks and building and loan associations took little part in the financing of houses, unless the propositions were perfectly good business propositions, and their good judgment has been demonstrated in recent months by their few losses. However, two high financing and building companies came into the community and built about *twenty* fraternity and sorority houses, most of them on slender strings. I know of one $60,000 sorority house that was built with the sorority putting up $3,000 for the purchase of the site. The financing company built and furnished the house and on a plan which looked perfectly good when properly explained, but from the outside looked entirely too good to be true. The payments on these were to be monthly affairs of considerable size, up to $800 and $900 a month. The companies that built these houses failed as their business methods were not sound. They had built houses at one insti-



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tution and paid the bills there out of money received at the next institution. The sheriff finally caught up with them."

But the fraternities' frenzied finance on our campus, limited to a score of mansions costing from $40,000 to $90,000 built "on slender strings," must take second place to the following actual cases from other institutions of higher learning. A fraternity in a Rocky Mountain state built a $65,000 chateau, which would have done credit to the Riviera's landscape, with $600 cash in hand. Three Pacific Coast organizations erected manors fit for an English lord with equities of from $1,500 to $3,000 on buildings valued at $45,000 to $75,000. A Georgian plantation mansion grew out of the soil of a midwestern university nurtured by $600 in cash and a $3,000 equity in an old house which went toward the new $45,000 enterprise. Three thousand dollars in cash was sufficient to start a $45,000 house on one campus and a $65,000 enterprise at another midwestern university not far away. In another case, a $2,000 equity in an old house was the beginning of a $55,000 mansion of Tudor design. Similar citations of actual cases might be added, but these serve to show what a few thousand dollars raised during the enthusiasm of a few banquets for alumni and fathers might do. It is safe to say that more houses were built with equities of less than 20 per cent than were started with nest eggs representing 40 per cent of the property's total valuation.

The National Interfraternity Conference recently made a study of the "Current Economic Status of Fraternities," which brought the finances of 1,070 chapters under scrutiny as a sample of the 2,600 chapters active in universities throughout the country. Whether it brings to light the experiences of the weakest or strongest chapters is anybody's guess, but the survey shows that these 1,070 chapters have mortgages aggregating $13,531,375 at present and that they have paid off $1,849,465 on mortgages during the last three years. But it is this year that college fraternities are feeling their tightest pinch, for enrollments at some universities which held steady, or even increased, during the first three years of the Depression have fallen off sharply during the current academic year. Many of the $60,000 to $100,000 mansions built to house from 40 to 50 undergraduate men and women are only half full, which means that from 20 to 25 students must meet $20,000 to $30,000 in operating expenses during the year, or have their chapters face bankruptcy. To make the situation more acute, the greatest reductions in chapter membership rolls are being experienced in the mid-western, Rocky Mountain, and Pacific Coast States, where the mortgage burden is the heaviest. Chapters in the East and South have been hit hard in some instances, but their plight is nothing compared to conditions in other sections.

The ball-bearing tongued salesmen of the several building companies, which found a fertile field for their activities from one end of the country to the other, are credited with the most superior achievements in the field of "high finance" for fraternities. They are being called "racketeers" now, but they sounded like prophets of the New Era to us when I first heard their spell-binding stories and saw the drawings and oil paintings of houses which they were building on a half dozen campi. There is little doubt but that they reached a new high in the old, old pastime of exploiting the undergraduate. Jewelry companies had worked the racket among fraternities for decades, and the time was ripe during the Stadium Era for the mansion salesman. He and his ilk had just wound up a whirlwind campaign in the sale of World War Memorials to every village, town, county and patriotic organization in the country, and it was an easy step from memorials to fraternity mansions. It, likewise, was a simple matter to adapt the technique of the Liberty Loan drives to the fraternity's fund raising activities.

The rapid growth of the college fraternity as an owner and builder of living quarters for tens of thousands of undergraduates must also be linked to another phenomenon: a fundamental change in the character and purpose of American universities. It came with the growing conviction that in a democracy all must have equal opportunities for education, and that the future of the country was bound up with the successful education of the masses rather than the few who could show special aptitude for such training. Parents sent their sons and daughters to universities in increasing numbers, even at great personal sacrifice, so that they might enjoy the highly-advertised privileges and social prestige which went with a college degree. The state universities with their low tuition rates flourished, and hundreds of new university buildings were constructed. Enrollments increased from 183,583 in 1910, to 356,694 in 1920, to 971,584 in 1930. The building programs in most cases did not include adequate dormitory facilities for undergraduates. As an example, my alma mater (the largest university in the Middle West) with its enrollment of full time students topping the 12,000 mark, never built a singled dormitory for men, although two-thirds of the students were men; and only two dormitories for women were built to accommodate only a fraction of the women students.

On our campus and at other institutions, the college fraternity stepped in and filled the gap, organizing students in somewhat congenial groups from among those who were living in abominable quarters in private homes (which charged high rates) and from the college dormitories (where they existed) which usually were as barren as state penal institutions. The men and women who made up the fraternities and sororities under the new theory of "education for the masses" put a high valuation upon social prestige, the cultivation of character, personal charm, a good golf game and similar attributes which the university had not yet recognized as primary parts of its curriculum. The fraternity, more than any other agency, succeeded in bringing the university to the level of the New Era's average student, whether for better or for worse. All of this provided a perfect set-up for the high-pressure salesman of $100,000 houses, who could show how easy it was to finance a palatial home with a few thousand dollars, a bale of pledges for sums to be paid after graduation, perhaps an insurance policy on living members of the fraternity, and the regular income from members living in the house on the well-known American standard of living.

If the university faculties or boards of trustees had their tongues in their cheeks as the fraternities and sororities built their collegiate palaces on such slender strings, they didn't open their mouths in opposition to the programs which were automatically solving their student housing problems. Dartmouth was the only university in the



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country which set a maximum limit on the amount any fraternity might spend in the construction of its house. A very few universities frankly recognized the part being played by fraternities, and donated ground on which houses might be built, or advanced sums to encourage construction.

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There probably would have been little questioning of the whole procedure if the mad scramble for the single gold dollar in the U. S. Treasury had not been precipitated by an alarming number of the holders of the 722 credit dollars from which the 25.8 grains of gold had been expanded. Now the secret is out. Instead of charging 6 per cent for financing as the prospectus of the high-pressure salesman showed, the building companies inflated their cost estimates through their three-way plan for designing, constructing and financing each house to insure profit returns of from 12 to 50 per cent. The enterprising salesmen received commissions which were as high as the usual amount paid a legitimate architect for complete services, and the commissions were hidden in the inflated building costs. Inferior materials were used in many of the houses so that the present occupants now find it necessary to have plumbing and heating systems rebuilt, sound-proofing added, along with other interior finishings which were slighted or omitted. In accord with the spirit of the Golden Decade, 90 per cent was devoted to providing an attractive exterior (a good front) and little thought was given to the living qualities of the interior.

Here are two typical examples among fraternities already in receivership on a western campus: one house built for $55,000 five years ago has been appraised at $30,000 although there is still outstanding preferred stock amounting to $51,000; another house built for $45,000 has been appraised at $25,000 with outstanding preferred stock still totaling $43,000. Both houses are occupied to no more than 50 per cent of their capacity and neither could meet its contract payments for the property if all of its income were so applied and nothing was held for operation, taxes, repairs, insurance, refurnishing, or the preparation of meals, or other chapter activities. There is no evidence to indicate that the enthusiastic building companies or their super-salesmen were holding even a corner of the bag when it exploded. They sold their paper as securities to a stock-gobbling public which included many alumni, fathers and probably a few widows and orphans, all of whom were certain that a college fraternity building was about the soundest thing in the world as an investment.

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Not all fraternity mansions were built on slender strings and not more than 20 per cent. of the houses built during the most excited years of the competition to have the biggest and most expensive mansion were built by the several "professional" three-way building companies which went from campus to campus. These companies provide the most intriguing examples of "high finance," with a few notable exceptions, and consequently their activities are most prominently tied up with the present difficulties.

But all fraternities and sororities have found that a large share of the "pledges" and "house notes" signed by undergraduates during enthusiastic ceremonies associated with their being pledged, or initiated, during the Golden Decade are now interesting only as autographed tokens of football stars, honor men, editors of the college daily and other celebrities of by-gone days. Although most of the signers were minors and few of the notes have any value as legal instruments, they provided the backbone of the "credit structure" which sold the "securities" to the public, to friends and alumni. Unless several bales of these autographed tokens are redeemed during the current year, there will be further bankruptcies on many campi where current operating expenses are insufficient to meet even reduced interest and amortization payments.

While, at least, 50 chapters have turned in their charters, or have had them withdrawn, because of economic tangles which could not be unscrambled, and while there have been scores of mergers of weak chapters with stronger organizations at some universities, there is no doubt that the fraternity system will survive. It has been sniped at by some college presidents, newspaper editors and public officials from time to time with various real or trumped up charges, but the present condition of university endowments funds and state appropriations out of which dormitory programs competitive to fraternities might be developed leaves the fraternity system in a stronger position than ever before. Some university officials recognize this fact and are lending a hand to the task of untangling the finances of struggling fraternities and sororities. Yale and Harvard are among the very few universities in the country with adequate dormitory plans capable of carrying on the work done by the college fraternity at most institutions. There appear to be few Harknesses who may be expected to turn up with bequests for the hundreds of other universities and colleges which must house their students under the "education for the masses" theory.

The undergraduate who sought refuge in a university to escape the Depression's chilly breath is finding a few economic icicles to harrass his slumbers before the fraternal hearth this winter. The major burden of Fraternity Row's present difficulties have fallen on his shoulders, although he had no part in their making, not even the soul-filling satisfaction of autographing so many little slips of paper, acts which my classmates so enjoyed during the days when football teams played to crowded stadia, raccoon coats were as common as prairie dogs, and a Grange victory unleashed enough enthusiasm to refinance the national debt.



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# The Paradox of Economic Planning

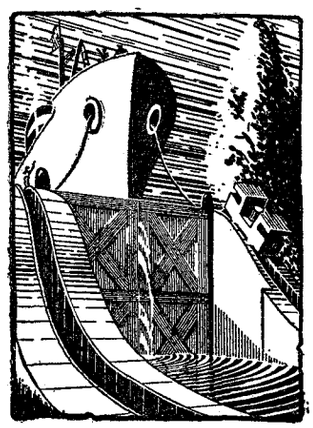
## By Rufus S. Tucker

Is economic planning the salvation of America? Mr. Tucker, former economic analyst of the Treasury Department, questions this policy of the Administration and traces the repeated failure of this panacea since its first trial 1650 years ago.

ON all sides nowadays one hears that private capitalism has failed, that *laissez-faire* is a back number, that this depression was caused by unrestrained operation of industry under the profit motive, and that the way out is to adopt a scientific system of planned economy to insure that just the right quantity of everything shall be produced and that each person shall get just the right share of the product. By planned economy, of course, is meant an economic system controlled from above by a board or similar authority with power to enforce its decrees. Even the most extreme form of *laissez-faire* economy is planned in the sense that individual business men plan their own businesses, but that is not what is meant by planned economy as the term is ordinarily used.

How few people realize that this proposed new system is really very old! In fact it is the system that has prevailed during most of recorded history. It is the system that retarded progress during the middle ages and until the beginning of the 19th Century, and it was the revival of this system that was responsible for the present depression. In the 16th and 17th Centuries it was known as mercantilism, and its defects led to the adoption of the *laissez-faire* system about the end of the 18th Century. *Laissez-faire* was abandoned at the outbreak of the World War, after a hundred years of successful operation, and has not yet been restored in any important country. Planned economy is merely a restatement in formal terms of what has been the policy of this and most other governments ever since 1914.

This depression was not natural or inevitable; it came as a result of unwise governmental interference in economic matters. The government has attempted in one way or another to increase the production of goods believed to be desirable, and the incomes of the classes politically most influential, with the inevitable, though unintended, result that the production of other goods has been restricted and the purchasing power of the whole population decreased. This interference with economic laws has in the United States taken many forms, frequently inconsistent with one another, and permeating nearly every field of human endeavor except the learned professions. They may be outlined as follows:



The Federal government has spent many millions of dollars on the construction and direct operation of waterways, irrigation, forestry, and other reclamation projects. It has usually been claimed, when these projects were proposed, that they would pay for themselves or even yield a profit. In many instances, however, the circumstances attending the passage of the authorizing legislation showed plainly that there was no serious expectation of a profit—at least for the government. They were authorized either on account of assumed general benefits to the country, or as a result of strongly organized local pressure. It is obvious that with very few exceptions river and canal transportation in this age of railroads and automobiles is as obsolete as transportation by stagecoach. Nevertheless, for many years the Treasury has poured the taxpayer's money into the allegedly navigable streams of politically powerful Congressional districts, and in some cases the responsible officials have deliberately manipulated their accounts so as to show apparent profits. Certain local shippers have favored this policy, since they thought that thereby they could exert pressure on railroads for lower rates. Local contractors have, of course, benefited, and the taxpayers who suffered the loss have been for the most part unaware of it.

Irrigation and power projects have been indulged in on a grandiose scale. The effort to make two blades of grass grow where one grew before has been considered eminently worthy of governmental appropriations, even when the market for grass was already glutted. Farmers have been willing to settle on irrigated lands, knowing that if they had difficulty in making their agreed payments the government would postpone and eventually cancel its claims. Localities within transmission distance have been glad to have new sources of power provided them at Federal expense, even if their chief value lay in the possibility of using them to force down the rates charged by power companies already in existence.

Federal funds have also been expended on forestry, more, however, for the sake of flood control and conservation than with any expectation of direct profits. At the same time the states have continued their wasteful system of taxing timber like annual crops and thereby preventing private reforestation on a business basis, and tariffs have been imposed on forest products with the intention of



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stimulating the cutting of domestic timber. The destruction of forests caused by taxes and tariffs has far exceeded the new growth promoted by governmental intervention.

Next to operation comes regulation. While this has not been adopted with a view to making profits for the government, or increasing the profits of private investors, it has been to some extent influenced by the desire to protect stockholders as well as the public from incompetent or dishonest management. How effective this control has been is shown by the number of bank failures and railroad bond defaults in the last three years. It is perhaps reasonable to suppose that competent regulation would long ago have caused the revision of over-pyramided railroad capital structures and the elimination of undercapitalized banks. It is possible, however, that a system of no regulation at all would have enabled strong banks and strong railroads to absorb their weaker competitors with no greater loss to the public than the present system. Although in these two fields the case for regulation is a strong one on abstract grounds, it is not strengthened by the experience we have had with it in this country.

Similarly with respect to utilities, regulation has not prevented excessive profits by insiders and excessive losses by the unfortunates to whom the insiders sold stocks and even bonds. Since most utilities are to some extent natural monopolies, regulation is doubtless necessary, even if only partly successful; in the case of industries where competition is possible the necessity for regulation does not exist and the dangers and disadvantages of regulation are obviously much greater than in the case of railroads and utilities.

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Then there are the subsidies granted, either openly or under some disguise, to States and private enterprises. By the so-called fifty-fifty plan the Federal government has matched state appropriations for highways, schools and public health work. As a result some of the states have increased their debts and taxes, or the debts and taxes of their subdivisions, to burdensome and dangerous heights, in order to get all the subsidies to which they were entitled under the law. They have built costly highways in advance of any real need, and until recently the owners and makers of automobiles were able to block any attempt to put the burden of these highways on the people who used them. Arkansas is a glaring example of the damage thus done. Municipalities have erected elaborate school buildings on which the carrying charges are so great that it is difficult, and in some cases impossible, to pay the teachers. Children have been encouraged and compelled to remain in school whether they showed any aptitude for scholastic pursuits. Colleges and professional schools have been flooded with applicants for admission and the professions have been flooded with graduates of the public school system who received their training largely at the expense of the taxpayers, and whose competition forces down the remuneration of those already trained for those professions at their own expense.

When a college or professional education had to be paid for at something near its cost, only those who were especially apt or especially interested would strive for it—with the exception of a few sons of the idle rich in the so-called "country-club" colleges. A reasonable number of scholarships for obviously able students of limited means can, of course, be justified; but to encourage good potential barbers and bricklayers to become mediocre lawyers and engineers at the taxpayers' expense can only have a bad effect upon the professions of law and engineering.

The merchant marines of all important countries have been subsidized from time out of mind. For many years past the shipping and ship-building industries of all countries have complained, apparently with ample justification, of low profits because of excessive competition and nationalistic discrimination; and the low wages paid to seamen have long been an international scandal. It is apparently a plain case of cause and effect. In addition, the attempts of all nations to make themselves self-sufficing have reduced the volume of international trade and thereby the demand for shipping. Subsidies to export industries have been met by counter-subsidies and by retaliatory tariffs, with the result of duplicating plants and raising costs, taxes and debts.

Housing has been encouraged by various devices, especially tax-exemption and moral exhortation. The present condition of the real estate market and the present market for real estate mortgages furnish ample comment on the success of this policy. Another unfortunate result is that wage-earners who have succumbed to the semi-official propaganda and bought their own homes now find themselves tied down and unable to go elsewhere for employment.

Agriculture has been the special favorite of politicians seeking ways to obtain personal popularity at the taxpayers' expense, and of sentimentally minded economists and literary folk still under the influence of Rousseau. In every possible way farmers have been stimulated to over-production. Partial tax-exemption, free seeds, seed loans, mortgage loans by government-aided banks, price-stabilization, irrigation and drainage and flood relief, agricultural colleges, county agents, protective tariffs—all these devices, whether effective or illusory, have been tried, and the farmers are now, at least according to their own belief, in a worse condition than ever before in our history.

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It is a curious fact that that class of our population that is usually considered to represent the quintessence of rugged individualism should mainly owe its present ills to the over-assiduous attentions of a paternalistic government. Who can doubt that if the financing of agriculture had been left in private hands a large part of the so-called "marginal" lands would have been withdrawn from cultivation years ago, and it would not be necessary to discuss the advisability of taxing consumers in order to bribe the owners of such lands to withdraw them now? And is it not generally admitted that if there had been no Farm Board to cause farmers to believe that the prices of wheat and cotton would be pegged, there would be much less surplus wheat and cotton now, and the prices of wheat and cotton and a good many related products would be higher, and the deficit in the Federal budget considerably lower?

It would take too long to enumerate the infant industries that have been encouraged for many years by the protective tariff, but it would take only a very few seconds to



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enumerate those that have been benefited by it to such a point that they would be willing to renounce its benefits and admit that they had passed from infancy to maturity. Many of the highly protected industries, such as sugar-refining, shipbuilding, fertilizer, leather and some branches of the textile industry, were far from prosperous even before 1929, if one is to judge by the dividends and wages they paid. Nearly all, whether prosperous or not, have pressed continually for higher protection, while the consumers who paid the bills have been inarticulate either from ignorance or hopelessness. This form of subsidy reached its climax in the Smoot-Hawley Tariff of 1930, which was followed by the most rapid and extensive decline in business activity that this country has ever seen, and one of the most rapid price declines that has ever been recorded. It is reported that George Washington died as a result of being bled too much by the physician who, with the best of intentions, was trying to cure his fever. The physicians of Washington do not seem to have changed very much.

Planning has not been confined to public agencies. There have been trade associations whose avowed object was to stabilize conditions, avoid excessive price fluctuations, and prevent unfair competition. Or was it their object to increase profits, bring about higher prices, and prevent any competition? In any case, they have not succeeded, although the men behind them were presumably the most experienced in their respective industries, and had not only their reputations but their fortunes at stake. Could any politically appointed or elected body be expected to do better? Even the "trusts," with their close-knit organizations, have suffered as badly as the smaller companies, or worse. In the steel, tobacco, sugar, oil and railroad industries, the companies with the best 1932 earnings statements have not been the largest ones. Does this experience not indicate that there is a point in industrial organization where mere size sets a limit to efficient management, and that even within that limit efficiency requires the stimulus of constant competition? And if a single corporation can be too big to be managed successfully, is it not obvious that the centralized management of all of the industries in a country is beyond the limits of known human ability?

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Of course, a trade association or cartel, if it has the government's backing and is given a monopoly of its field, with tariffs to prevent foreign competition, can make profits, it can even pay high wages; but it can only achieve this sort of success by charging higher prices for its products than what they would sell for under the competitive system, which means in effect taxing the consumer to subsidize inefficiency. And in many cases such high prices will cut down the demand to such an extent as to reduce profits and to require a further jacking-up of prices, or a reduction of employment or wages, or both. Meanwhile the consumers suffer from a higher cost of living, and other industries using the product of the favored industry suffer from higher costs of production, and on top of all the government's budget is swelled by the expenses of a vast and useless bureaucracy.

Besides these various kinds of governmental aid to individual industries there have been attempts to regulate the financial system in such a way as to stimulate industry as a whole. The gold standard was abandoned during the war, and when the war ended was replaced in most countries by the gold-exchange standard or the gold bullion standard—two monetary systems that differ in essential respects from the real gold standard, especially in that they permit, and even require, much more conscious control by the fiscal authorities. The politicians and bankers promptly used their powers; by keeping discount rates low and entering actively into the foreign exchange markets they tried to prevent declines in commodity prices, to stimulate business enterprise, and to facilitate government borrowing. They succeeded only in postponing the reduction of the war debts and in weakening their reserves, so that when the Austrian banking crisis came in 1931 the greater part of Europe was forced to abandon even the semblance of a gold standard. Apparently our banking authorities were not so sure of their power, or so thoroughly in agreement as to policy, as the authorities of European countries, and this may explain the fact that until a few months ago we were still on the gold standard and that we still have an adequate gold reserve.

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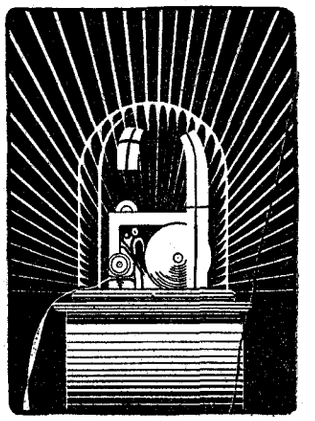
Nevertheless, it is generally admitted that in August 1927 the Federal Reserve Board adopted an easy money policy with the object of enabling Europe to re-acquire some of the gold in our large reserves and with the hope that thereby our exports might be increased and the prices of farm products raised. Europe took the gold for ten months, but in the next two and one-half years it all came back. The average price of farm products rose in the next year about 5 per cent, which was at about the same rate it had been rising for several months before; there was no perceptible effect on our exports; but a speculative boom began in our stock market which culminated in the crash of October 1929.

During that twelve months of easy money the volume of foreign securities publicly offered in the United States (according to the Bureau of Foreign and Domestic Commerce) was $1,770,000,000—an amount unprecedented and since unsurpassed in any equal period. The total of new common stocks publicly offered in the same period was $486,400,000—twice as much as in any previous year. Brokers' loans, as reported by the Stock Exchange, rose from $3,642,000,000 to $4,898,000,000, an increase of 35 per cent; while bankers' acceptances and commercial paper outstanding, representing productive and commercial transactions, rose only 16 per cent. The combined indices of production and trade, compiled by several expert statisticians, show a downward trend for several months after the discount rate was reduced, and only about an equivalent recovery in the remainder of the year. Nevertheless, the average price of industrial stocks rose uninterruptedly about 30 per cent, with no apparent reference to earnings. In other words, easy money had very little effect on business but greatly stimulated speculation and prepared the way for the crash of 1929.



This was certainly not the intention of those responsible for the easy money policy. Nevertheless, the same method of



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stimulating commodity prices and business activity was again adopted after 1929. Ever since March 14, 1930, the re-discount rates of the Reserve Banks have been kept at or below 3½ per cent. From March 1932 until June of that year an aggressive campaign of buying government paper was carried on at the rate at first of $25,000,000 and later $100,000,000 a week, in an endeavor to stimulate the extension of bank credit. In spite of these heroic measures, business activity and commodity prices continued to fall. Only this time stock prices fell too, and new security offerings almost disappeared. When the purchase of government paper by the Bank was slowed down and then stopped, business activity and the prices of stocks, bonds and commodities all revived rapidly. Once more there was written on the record a plain demonstration of the futility of arbitrary action in economic affairs, and the postscript of this chapter was written by the Governor of Michigan, who, in order to save two banks from closing, brought about in three weeks the closing of all of the banks in the country.

During all of the time since the first stock market crash in October 1929 the central banks of all nations have kept their discount rates as low as possible with the aim of stimulating business; but until a few months ago business showed no signs of stimulation except in Japan, where of course they were having a war boom. In September 1931 England and several other countries abandoned the gold standard and allowed their currencies to fall in value 30 or 40 per cent. This step also was expected to stimulate business, especially in the export industries. The official statistics of these countries for the following year and a half all showed, on the contrary, falling exports, reduced employment, increased bankruptcies, and a commodity price average that fell less than ours only because the prices of imported goods went up, while the prices of domestic goods, especially farm products, continued to go down. And yet the believers in planned economy, managed currency, and similar varieties of economic evangelism, ignore all this recent experience and continue to assail our ears with promises of a new day. They expect to cure the consequences of planned economy and managed currency by means of more planned economy and managed currency.

Financial confidence is a hardy perennial, which if let alone revives quickly after storms; but like other flowers, its growth cannot be hastened by constantly pulling on the stalk; on the contrary, if pulled vigorously enough it comes out, roots and all. To pursue the analogy, successful gardeners frequently increase the size and vigor of a plant by the opposite method of drastic pruning; and doubtless if our financial system had been more rigorously pruned before 1929, or even before 1932, and the dangerous excrescences and rotten limbs removed, instead of being painted over and propped up, we would be much further on the road to recovery than we are.

But how can the authorities of any democratic government be expected to use surgical measures against the clamorous opposition of vested interests? The best that can be hoped for is a *laissez-faire* attitude, and even that may have been impossible in the face of the universal clamor for government-administered hypodermics. I say, *"may have been,"* for the Administration apparently never even considered the desirability of such an attitude, but from the beginning of the depression attempted to postpone or prevent the inevitable readjustment.

Forty years ago Grover Cleveland removed the menace of inflation, lightened the tariff burden, and attempted to balance the budget, but he did not try to protect banks and corporations from the consequences of their own rashness. As a result business boomed in 1895, only to crash again when it appeared likely that Cleveland's successor would adopt artificial means of aiding it. Sixty years ago Grant firmly resisted inflationary proposals, but as long as Congress persisted in advocating them business declined. Finally, at the end of 1878, the dollar was firmly anchored to the gold standard, and the downward movement of business immediately reversed itself.

The preceding discussion leads to the conclusion that the stimulation of business activity or business profits is not a proper function of the government—not only because it is unfair to tax one group of citizens in order to benefit another, but because the favored group frequently is injured rather than benefited. During a boom the wage-earner in a protected industry usually loses more in his taxes and high living-costs than he gains in wages; the subsidized farmer usually loses more in taxes and in low prices of his products than he gains in improved transportation and low interest rates; the would-be home-owner is encouraged to buy a home, and the assistance given him in itself directly raises the cost of houses; the banks are given liberal re-discount facilities with the result that low interest rates make safe banking unprofitable and compel them to grant speculative loans or go into the securities business; manufacturers are put in touch with foreign markets by the activity of government agents, and encouraged to export goods on credit, and the credits are then locked up by a Stillhaltung agreement. In some cases the favored victim could escape the consequences by refusing to avail himself of the government's proffered aid, if he were wise enough to do so; in other cases he has no choice but to accept, since the harmful consequences fall on all alike.

Must we then go back to Adam Smith, and limit the functions of the government to the maintenance of internal order and national defense, the care of the helpless, and such other necessary functions as cannot be performed at a profit by private enterprise? Not at all. In the past one hundred and fifty years we have discovered that even in a system of capitalism genuinely based on the principle of private initiative there is much that the government can and must do to ensure that the game is played fairly. Consumers must be protected from misrepresentation and harmful adulteration. Laborers must be protected from overlong hours and unhealthful conditions of employment. In certain cases involving limited natural resources the advantages of regulated monopoly over competition are obvious. Some natural resources rightly belong to the nation rather than to any individual. Regulation of such things as these will require a fairly large amount of governmental attention. But governmental action directed toward raising any individual's or corporation's income is distinctly not required. Here the *laissez-faire* logic has been re-inforced by experience. The government should see that the race is fairly run, on a well-kept track, but should not itself compete, nor attempt to push its favorites. In fact, such pushing frequently causes them to stumble.

Finally, since the basic principle of *laissez-faire* capitalism is simply that private individuals stimulated by the hope of profit will produce more effectively if given a free field than any organization of production under centralized



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control, it is not illogical to limit their profits if they accumulate beyond the point necessary to stimulate activity. Highly progressive income and inheritance taxes are not inconsistent with individual initiative; in fact, they may stimulate it by preventing the growth of excessively wealthy families and corporations which by their size alone may stifle or intimidate competition.

Some of the temptation for excessive investment in plant could be removed by imposing higher taxes on undistributed corporate income, and changing the capital gains provisions of the income tax law so as to make impossible the most common method of evading the tax, which is to refrain from selling and thus "realizing" the gain. It is probable, however, that most of the evils of corporate management can be prevented by requiring honest accounting and publicity as to salaries, bonuses, and similar insiders' perquisites.

So it seems that in this paradise of private enterprise, and rugged individualism, we have in the past decade partially combined capitalism with socialism, retaining the worst features of both. And now to cure our distress it is proposed to continue the same process, and call it "economic planning." The question immediately arises as to who shall pick the planners. Overlooking this minor consideration, the fundamental question once more arises: to what destination do we wish to steer our ship? We have been aiming for the maximum gain to producers. Should we not rather aim for the maximum of satisfaction to consumers? Is it not true that the proper object of all trade and all production is to place in consumers' hands the largest possible amount of the kind of goods that they want? Is not this the best definition of a high standard of living, provided only that a reasonable valuation is placed upon leisure? And certainly no one knows what people want better than the people themselves, and no device for giving it to them has ever been known that was more effective than the price-system operating under conditions of free competition. The producers who best judged the market as a rule made the most profits; they may have been, and probably were, more interested in their profits than in the satisfaction of their customers; but that is incidental.

If some of these profits are taken away from them by taxation, leaving only enough to induce the producers to continue in business, we can continue to enjoy the benefits of the system that has so vastly increased the wealth of the world in the last 150 years, and at the same time can avoid the injustices and irregularities that have become so conspicuous since 1929.

The alternative is centralized control, whether it is called economic planning, or socialism, or communism, or the guild system. Yet even the more intelligent advocates of industrial control admit that in many cases it will increase the cost of goods to the consumer, which means every inhabitant of the country.

Economic planning was imposed on the Roman Empire by the emperor Diocletian about 1,650 years ago. He changed the amount of gold in the standard coin, rehabilitated silver as a monetary metal, went in for public works in a big way, fixed prices for all important commodities, determined what occupations the citizens should pursue, fixed wages, required producers to join trade associations, established a huge bureaucracy to enforce his decrees, and abolished the last survivals of free government.

His laws gradually crystallized into customs, and later were supplanted by new laws enacted by the kings who fell heir to the various parts of the Empire. Private initiative in economic matters disappeared; speculation and interest were prohibited; each artificer and merchant was supposed to sell his goods at a "just price," and to live on a scale that was appropriate for his position in society.

The business depression following the adoption of this comprehensive system of economic planning lasted for 1,200 years. During that period practically no improvements were made in industrial or agricultural technique; the population and the standard of living remained stationary or declined. Finally the discovery of America opened the way for a return of prosperity.

It was in the 17th Century, when the monarchs of Europe were engaged in recodifying and modernizing the regulations governing industry, and the doctrines of mercantilism, and statistics were being expounded by the intelligentsia of the day, that Oxenstiern, the great Swedish chancellor, advised his son to keep his eyes open on his travels "and see with how little wisdom the world is governed."

The "benevolent despots" of that era assembled corps of experts and imposed minute regulations on all industries, with the object of increasing their countries' wealth and population. But England, with much less economic planning and much less "efficient" administration, grew more rapidly in both wealth and population than any of them. Adam Smith, writing in 1776, was able to prove that the more completely controlled any industry or country was, the less efficient it was.

The English, however, did try to control their colonies according to the principles of mercantilism. This attempt to impose a planned economy upon the American colonies, half-hearted as it was, nevertheless caused the colonies to rebel. The French Revolution was a revolt of the French business classes against the intolerable vexatiousness and inefficiency of the guild system (i. e. the system of trade associations) as much as it was a revolt of the common people against the nobility.

In the 157 years that have elapsed since Adam Smith published his *"Wealth of Nations"* the world has increased more rapidly in wealth and population than in any previous period since the dawn of history. There is reason to believe that it has achieved more even in science, art, literature, and the other branches of civilization than in any previous period of equal duration. Yet certain agitators, disappointed with the events of the last three or four years, wish to scrap the system that made these achievements possible, and to go back to the system that kept the world in poverty for more than a thousand years. Fortunately, they are not likely to succeed. Just as the citizens of this country accepted prohibition in the abstract and violated the prohibition laws whenever they felt like it, until the experiment had to be abandoned, so it is likely that any attempt to organize business on a bureaucratic basis will be opposed by the very people it is supposed to benefit and will be abandoned the next time an election coincides with a business depression. And then the confident and plausible innovators who now decry *laissez-faire* as a survival of Victorianism will hear their own pet doctrine justly ridiculed as a revival of medievalism. Let us hope that the shock of being considered old-fashioned will not be too much for them.



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# Men of the Navy

## By Wayne Francis Palmer

A new world naval race is beginning, and the U. S. Navy is to be built to treaty strength. But what of the men who will command this revitalized naval establishment? Wayne Palmer, former naval officer, appraises our naval leaders in another of NEW OUTLOOK'S "group photographs" of important men.

SECRETARY of the Navy Swanson, obviously speaking for the Administration, has demanded that the Navy be built up to full treaty strength by the addition of 101 new men of war. With the shipyards of the nation preparing for a great naval construction program, authorized and paid for with funds from the National Recovery Act, the public may well ask: What sort of officers are to control these ships? They know, of course, that the Fleet is just so much metal and fuel without competent officers on its bridges.

The following cross-section of the personnel responsible for ship handling, tactics, strategy, and the moulding of Navy policies, have been gleaned from numerous sources. One man's opinion was certain to be prejudiced, consequently the investigation had to be continued on each individual until a clear, balanced picture presented itself. With the evidence all in, the verdict appears to be that as far as the navy high command is concerned, "All is well."

In combing the Navy for the good and the doubtful, particular attention was given to a hunt for "those superannuated and senile admirals who refuse to abandon the comfortable quarterdecks" and apparently block the advance of younger men. But the hunt uncovered instead Rear Admirals King and Reeves who fly their own planes because they can't be bothered with pilots; Rear Admirals Raby and Halligan who, while captains, qualified as aviation observers, and this requires a great deal more than good eyes. There is Admiral Standley shooting golf into the seventies and Rear Admiral Emory S. Land who still can be seen as a referee on a Saturday afternoon diving into the midst of a mass of football players to see that the ball again goes into play at the correct position.

Naval officers cannot continue their duties if they become soft. In no industry or other government service other than the Navy is the chief executive forced to go to the front. The admiral must take his place on the bridge with the least signalman at three in the morning if the Fleet is maneuvering. In times of storm or fog he cannot sit in an office and write letters about it. He must be on the bridge hour after hour, or even for days at a time, carrying on his own shoulders the responsibility for the safety of the ships under his command. The Navy obviously cannot permit a weak sister in a position where he could lead them to disaster. He cannot hide behind his desk and a clutter of papers. He must, himself, be able to meet the issues instantly and adequately. In time of battle, the Commander-in-Chief may stay on his flagship in the battle line or he may, in his own judgment, use a light cruiser removed from the action with the thought that perspective might aid his judgment—but where is the admiral that would lie off from the thick of the fight?

One serious situation confronts the service today. Due to the slowing down, several years ago, in promotions to the grade of Rear Admiral with no change in the inevitable retirement age of sixty-four, many of the present Rear Admirals face a total period in that grade of only eight years. This means that the Fleet is controlled by senior officers who are limited in their training in flag grade by the loss of five or six years that would otherwise be experienced. In short, they will have had only one cruise in flag rank before they assume the position of admiral or vice admiral, whereas normally they would have had two. This point is vital and steps should be taken immediately by Congress to correct this situation by the rapid dispatching into retirement of those admirals who have not measured up to the fullest requirements of the service.

The Navy Department under its present leadership is slowly shaking off the dust, cobwebs and slothful appearance of the Adams regime. The marked tendency is one of trimming for action. Once more the Navy has work to do. Maybe its energetic Assistant Secretary will even find time to clear up enough of the red tape and tomfoolery that clutter up its operation to permit it to function in time of war as a war headquarters should.

The Navy Department is well organized basically. Its Secretary and Assistant Secretary are served by heads of bureaus each an expert in his line. The Chief of Naval Operations is responsible for war plans and the general operation of all naval establishments and ships. In him is coördinated all naval activity. The technical bureaus, the names of which describe their activities, are Ordnance, Engineering, Aeronautics, Yards and Docks, Construction and Repair, Supplies and Accounts, and Medicine and Surgery. The Bureau of Navigation has to do with the providing, training, disciplining, and the contentment of personnel. The Marine Corps is a little private army separate in administration, but yet a part of the Navy.



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At sea the ships are divided into the Asiatic and the United States Fleets. Both are commanded by a full admiral but in time of war the latter is in supreme command. The Asiatic Fleet serves as a representative in the Far East and is able to act in local disturbances. The strength of the nation lies in the United States Fleet. Its Commander-in-chief has under him the Commander of the Battle Force, upon whom the responsibility would fall if his chief were stricken; also, the Commanders of the Scouting Force, Cruisers, Destroyers, Submarines and Aircraft, as well as the secondary commanders in charge of squadrons, divisions, and flotillas. On those specified rests the success of the Fleet in action. Their policies in time of peace as well as their fighting ability in time of war will spell success, or failure, for our nation at sea.

For its self-preservation the Navy is, of necessity, organized for political defense on Capitol Hill. Many of its officers hold important posts because of their ability to handle Congress. Within the Service, cliques and classes pass out the plums to their associates to the disappointment of other cliques and classes. The same is true of any large organization. But these hard fought internal battles only rarely break the surface. The intense loyalty of all officers permits the Navy to appear to all outsiders as a well knit unit. One fact, however, is of great interest: The service viewpoint of a man's ability always goes back to his midshipman days. It is remembered that he was "wooden," or that he was No. 1 in his class. This is because early in their careers they had drilled into them that relative position was everything. One admiral tells of his days at Annapolis when the marks had been posted on the bulletin board for all to see. Although he was a brilliant scholar, this one time saw a single mark below the passing grade posted opposite his name. A voice behind him spoke up, "Well, for once he has found the correct level of his ability." He turned and noted a face which he has never forgotten nor forgiven.

In most colleges it is a noteworthy fact that the heroes of undergraduate days are the forgotten men at the tenth reunions. Their places have been taken by those who were slower to develop and who continued to develop after they graduated. It is unfortunate that naval officers do not recognize this in later life estimates of their fellows.

The group of naval officers at the head of that service represent men taken as boys and moulded in one mould since their sixteenth birthdays. Their education, life, and training has been uniform. In their early days they were taught to walk alike; the orders they were taught to give were prescribed for all. A boat's crew in the Mediterranean was given the same instructions as a boat's crew in China or Rio. They progressed by the same channels from their junior officer assignments through the various grades to positions of responsibility. The differences that have developed between them are due to their different ractions to the same situations and their ability to rise above the dead level of mediocrity that such a system must evolve. The Service has recognized this and has passed each officer through seven or eight stages of examination and elimination. The men herein described are not chance appointments. They are the result of the elimination of thousands of officers of lesser ability. During a period of forty to fifty years they have met every test and every situation thrown before them in the far-flung quarters of the globe. If it appears that much that is good has been said about them, it is because the truth has been told. In the high positions "all is well" with the Navy:

**CLAUDE A. SWANSON,** *Secretary of the Navy.* A trained, practical politician; an ex-governor and an ex-senator from Virginia. For years on the Senate Naval Committee, he is a keen student of the Navy's requirements. Loves the Service and saw in it a fitting and happy close to his career. The Navy is reciprocating his affections. One officer close to him says: "The Secretary is so fine and we are so afraid for him that we wrap him in cotton for fear another might have to take his place." His poor health has greatly restricted his activities in all but his one great accomplishment of getting funds from the White House for the multitude of Navy requirements. In his quiet way he has been the greatest aid to the President's campaign of money spending. He has firm faith that the funds are being invested where they will be most needed over the immediate years to come.

He was selected for his position because it was felt that he could accomplish almost anything in the Senate but as yet there has been no test of this strength. The present construction program slid in the side door as a part of the Public Works program. In a direct test, even his practical, ingratiating efforts may meet a snag among the host of disgruntled senators returning at the end of the year from angry political organizations which have been shattered and broken by the so-called constructive efforts of the hop-skip-and-jump patronage methods of the administration.

**COLONEL HENRY L. ROOSEVELT,** *Assistant Secretary of the Navy.* This able assistant Secretary, by a knowledge of the Service gained through thirty-five years in the Marine Corps, is welding together the badly shattered force left behind in the wake of the lean, discouraging Hoover years. His has been the duty of launching the details of the shipbuilding campaign and coordinating the far flung activities of the Navy during the Secretary's battle back to health and strength. He is an exceptionally energetic worker who has already taken over much of the administration of the Navy that has heretofore been distributed elsewhere. With his executive acquisitiveness, his energy, and his intimate knowledge of the Navy, he may be expected to loom large in the National Defense and to take his place in the public regard along with his four more or less distant cousins that smile benignly down on him from a row of pictures in his office. Chosen to continue a dynasty, he is developing into the keenest, if the least publicized, of the group.

**ADMIRAL WILLIAM H. STANDLEY,** *Chief of Naval Operations.* Ranking officer of the Service and its most respected officer. Trained for a school teacher, he rode his cow pony twenty miles to take the Naval Academy examinations before he even knew what the Navy was about. He passed the examinations with flying



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colors and step by step he has become the best informed officer in the Navy. He has the reputation of performing every duty to which he has been assigned, just a little better than his predecessors on the job. He is thoughtful, unassuming, conservative. He retains an excellent sense of humor and is a charming conversationalist.

He is a strong character, making no concessions to expediency where National Defense is concerned. He sees his duty to be the maintenance of the fundamental policy laid down for his department: "to maintain the Navy in sufficient strength to support the national policies and commerce, and to guard the continental and overseas possessions of the United States." He is interested in no theories or vain hopes. His job has been defined and he intends to stick to it as he always has. Consequently, when he is under discussion one word will crop up concerning him within the first twenty used —"confidence." It will be repeated and reiterated. The Navy has confidence in Standley, and so has the President.

**ADMIRAL DAVID F. SELLERS,** *Commander-in-Chief of the United States Fleet.* With the delicate situation in the Pacific, he may become the man of the hour and the man on whose judgment history will turn. His orders, if wrong, may end the white man's domination of the Pacific basin; if right, they may postpone the yellow challenge for another century.

While, of course, broad, general plans for meeting any international situation are continually being evolved and accumulated by the best minds of the Navy, the control of all naval forces afloat rests in the Commander-in-chief. Upon declaration of war, he acts within the general plan specified, but is supreme as to the means and methods to be used to accomplish its ends. The Navy Department may make recommendations to him but will not attempt to direct him or the ships under his command.

He is a brilliant student, a keen tactician who may be expected to know in advance what to do to meet any emergency. Is an aggressive scrapper who would not hesitate to close an enemy but, lacking tenacity, might let go too soon. He is a clear thinker; cannot be diverted; keeps his own council and tends strictly to his own job, leaving and expecting others to do likewise. He is a leader and not a driver. He is called the "lone wolf," because he hunts with no political pack within or without the Service.

**ADMIRAL JOSEPH M. REEVES,** *Commander of the Battle Force.* Back in 1893 the Naval Academy football team was determined to get revenge upon the Army for three successive defeats. "Bull" Reeves was their hope but an early season game saw him carried off the field with a fractured skull. He was apparently out for the season, but when the Army game reached a critical point he went in with a conical headguard, looking like some Chinese mandarin. Regardless of warnings as to what might happen to him, he smashed through time and again to win the game.

As second-in-command of the Fleet, he may have a chance to repeat this victory on a far different field. He is the Navy's greatest strategist and tactician. He has had much to do with integrating the airplane into the Fleet and is entirely responsible for its incorporation into present day tactics. Consequently, he may be expected to use the air arm to its fullest extent. Is himself a qualified observer and pilots his own plane.

He is smart and awake to every favorable opportunity; is a disciple of the old Fisher formula, "Hit first, hit hard, and keep on hitting." He is a driver of officers and men. With unbounded energy himself, he demands the same of those around him. He can get more out of a fleet than any other officer in the Service.

**ADMIRAL FRANK B. UPHAM,** *Commander-in-Chief of the Asiatic Fleet.* The Asiatic Fleet faces immediate destruction upon the declaration of war. The job in time of peace is fraught with all forms of anxieties and perplexing problems. Into this delicate situation the Navy has dropped Admiral Upham, undiplomatic, an exponent of frankness, with an iron disposition. His first appearance and impression are against him, but his officers swear by him as do all who know him. He is rated as an able officer who always gets results. Should the fateful decision come during his incumbency in Asiatic waters, the enemy will know they have tackled a veritable, if luckless, bull dog.

**VICE ADMIRAL FRANK H. BRUMBY,** *Commander of the Scouting Force.* A keen, methodical commander whose outstanding characteristic is his independence. He will say what he thinks and not give a care as to where or who it hits. His tactlessness bitterly antagonized the Press when he was in charge of the attempted rescue of the S-4 victims. He considered his efforts should be confined to the men down on the bottom and not to chattering with a lot of men in press boats. They thought otherwise and he was in for a good "panning." He is careless of consequences to himself but would not risk his ships recklessly; consequently, he stands out as a daring, bold leader of our faster forces. He is no self-advertiser and, obviously, is no politician.

**VICE ADMIRAL WALTON R. SEXTON,** *Commander of Battleships.* A balanced officer who does all jobs well. The kind of a man that helps his team to a championship, but never makes All-American himself.

**REAR ADMIRAL JOHN HALLIGAN,** *Commander of Aircraft.* His chief claim to fame among our great naval heroes is that he walked in and slammed down his resignation on Secretary Denby's desk rather than continue to be in the position of immediate responsibility for naval oil lands around which later gathered the clouds of the Teapot Dome scandals. His action directed the first light of publicity on these transactions. He was ordered once for all to stay away from Mr. Fall's Department of the Interior, a distinction greater than the Congressional Medal.

He is a qualified airplane observer. Brilliant and of great ability, he has passed up his opportunities through an ineptitude for hard work. As long as others will do his work for him, he is content. Still young enough to make his mark.

**REAR ADMIRAL EDWARD C. KALBFUS,** *Commander of Destroyers.* Destined to become a power in the naval service. Brilliant, forceful, tenacious, and a hard driver, greatly respected by officers and men. He is the ideal commander for the dashing destroyer force. His many important fleet assignments have well fitted him for positions of high command.



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**REAR ADMIRAL JOHN W. GREENSLADE,** *Commander of Submarines.* A quiet student, writer, and strategist; more at home in a study analyzing naval problems than he is as an aggressive actor in the show. Lacks the grit, determination, and make-up necessary in a great commander of the little boats of the Navy.

**REAR ADMIRAL JOSEPH K. TAUSSIG,** *Assistant Chief of Naval Operations.* He caught the imagination of all Americans when he steamed into Queenstown at the head of our first destroyer force to join the Allied submarine patrol. After a hard trip of three thousand miles, he was asked how soon his ships could be made ready for service. His reply will remain a Navy classic: "We are ready now, sir."

When, as a midshipman, he was sent to aid in putting down the Boxer Rebellion, he was seriously wounded and decorated for bravery. He convalesced in the same room with Captain, afterwards Admiral of the Fleet, Viscount John R. Jellico. He has not lost a bit of his punch and is marching ahead to the highest positions of responsibility in the Navy. Has a positive personality and speaks frankly. With his strong convictions he is as much of a scrapper ashore as he is afloat. He will climb the ladder to the top and will fill all positions with distinction. He is a power in establishing navy policies.

**REAR ADMIRAL WILLIAM D. LEAHY,** *Chief of the Bureau of Naviation (to you).* To the Service, "Old Bill Leahy." Comfortable as an old boot—a plain type of a man out of solid substance; an officer just in from the destroyers—a practical sailorman, destined to be an outstanding leader of men because he is sincere, unostentatious and the possessor of a most agreeable personality. He is forceful in a generous way without being too precise about it.

His position as Assistant Chief of the bureau which he now controls and his former position as Chief of the Bureau of Ordnance gives him the political experience necessary to enable him to put across the relief of the direst need of the Navy—sailors to man the deserted ships now out of commission and the new ships in building. Many naval officers arouse resentment on the Hill by their superior manner. Congressmen do not relish it. "Old Bill" isn't like that. He will walk out with his increase in personnel and leave a committee of friends behind him. At sea, a great sailorman.

**REAR ADMIRAL EMORY S. LAND,** *Chief of the Bureau of Construction and Repair.* On his shoulders rests the great task of rushing the President's emergency ship building program through to completion. A happy disposition covering an iron determination combine the two qualifications necessary to close the shipbuilding gap left by the years of Republican neglect. He is talented and thoroughly informed in the technique of naval architecture.

When he entered Annapolis, he announced that he would graduate as the "four-striper" in command of the midshipman corps. His first move was to see that he roomed with the son of Richard Wainwright, Superintendent of the Naval Academy. He kept his promise and got the four stripes, and has not missed a bet since. He is socially conscious and a personal friend of many politicians and officials of the past and present administrations. He was appointed chief of his bureau by President Hoover and reappointed by President Roosevelt. Had Norman Thomas been elected, he would have found Admiral Land bobbing up as one of his best friends. He was an athlete in his school days and is still sufficiently young, energetic and interested to be in demand each week as a football referee.

**REAR ADMIRAL ERNEST J. KING,** *Chief of the Bureau of Aeronautics.* A loyal, devoted airman he took up flying at a comparatively advanced age when as a captain in the Navy he became an expert air pilot. He is able, efficient, and has a quick, fine mind capable of real analysis and logical thinking; but he is diffident and not tactful in dealing with his subordinates. He is a hard, exacting driver, well skilled in all branches of the Navy and with a properly balanced appreciation of the true place and extent to which aviation can be used in sea warfare. He took control of the air service after the shocking death of Rear Admiral Moffett on the *Akron.* During Moffett's many years of Bureau control, our naval aviation grew until the British Admiral Lord David Beatty told the House of Lords it was the finest in any service. King is determined to ask for funds for further dirigibles, but Congress is expected to be just as determined against any further experimentation with lighter-than-air.

**REAR ADMIRAL EDGAR B. LARIMER,** *Chief of the Bureau of Ordnance.* A courageous fighter where principles are involved which many times takes more nerve than a physical battle. He has proven himself a splendid officer at sea, collecting many trophies for the excellence and efficiency of ships under his command. Having attained flag rank while ashore, he has had no chance to show his ability in general command afloat. Trim, good-looking, and genial; has a host of friends in the right places in Washington.

**REAR ADMIRAL CLAUDE C. BLOCH,** *Budget Officer of the Navy.* His sea training taught him to keep an even keel. Under the most severe conditions his great sense of humor offers the relief necessary. He trims the financial requests of his superiors and sends them away smiling. He has a great sense of equity and propriety and when necessary, can put up a real fight. He has the ear of the Secretary because it is known throughout the Navy Department that he is without personal ambition. Is recognized as the coming man of the Navy both ashore and at sea. His one questionable characteristic of caution is admissible in time of peace but in time of war—Napoleon put it, "L'audace, l'audace, l'audace, toujours l'audace!"

**REAR ADMIRAL SAMUEL M. ROBINSON,** *Chief of the Bureau of Engineering.* An engineer of national standing, and perhaps the outstanding expert on electric propulsion of ships. A likable personality of high ideals and a long record of attainments in Engineering. Work is his hobby.

**REAR ADMIRAL ORIN G. MURFIN,** *Judge Advocate General of the Navy.* An intense and persistent enthusiast in all his undertakings. He is an accomplished engineer who took up the mining of the North Sea when the war made engineering comparatively unexciting, and now,



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while waiting for a sea command, specializes in Naval Law. No legislative or legal point that might affect adversely the National Defense ever escapes his personal scrutiny. An invaluable and devoted adviser to the Secretary.

**REAR ADMIRAL ARCHIBALD L. PARSONS,** *Chief of the Bureau of Yards and Docks.* A civil engineer of high professional attainments. Is reported to be blind in one eye, but in the remaining eye has the sharpest vision in Washington when hunting for funds available for distribution by the NRA.

**REAR ADMIRAL PERCEVAL S. ROSSITER,** *Surgeon General.* A medical officer with a background of normal naval service, and with powerful friends in the political organization. Before assuming his present office, he was in command of the Naval Hospital in New York City where his ingratiating efforts gained him support for his present appointment.

**CAPTAIN WALTER N. VERNON,** *Naval Aide to the President.* An officer who could serve as the Aide to two such different personalities as Herbert Hoover and Franklin D. Roosevelt is obviously a diplomat of the first order as well as the possessor of a charming personality. He adds tact to a natural turn for politics. With a wide scope of duties as a professional background, he is well equipped to advise the President on naval matters, only the President does not need his advice; consequently, he exerts little influence. He, however, could render the nation a great service by whispering in the ear of the Chief Executive several times a day that a navy without enough men to man the ships is a show-off navy; and that if he insists on the construction of more ships without providing men for them, the public may properly ask if the one hundred and fifty-eight idle ships of the battle fleet now in the hands of civilian watchmen are not enough of a sacrifice to God Rust.

**CAPTAIN HAROLD R. STARK,** *Aide to the secretary.* The constant companion and advisor to both Secretaries Adams and Swanson. A man of fine personal texture on whom his chief can rely without fear of being misled. Highly respected and admired personally and professionally. It is not commonly known that his hobby is leaving material joys behind to gangs of unfortunate children in the vicinity of some of our naval stations. To them he is a "great guy." Children's estimates of grown-ups are usually accurate.

**REAR ADMIRAL LUKE MCNAMEE,** *President of the Naval War College.* Gifted with a charming presence and winning personality, he is most impressive in presenting any matter for consideration; consequently, is a skilled politician. His gracious manner and social inclinations have been a marked asset to him as naval attache at London and now at Newport. He, however, is not a serious and deep student such as one might expect to find gracing the chair of one of America's most important, if not well known, educational institutions. He would be more at home under his flag at sea where he made a creditable record as Admiral in command of the Battle Force.

**REAR ADMIRAL HARRY L. BRINSER,** *Director of Navy Yards.* A determined, solid type of man who in a sane, never-let-go manner is attempting to see that the public gets a reasonable number of cents on the dollar out of navy yard expenditures. Consequently, he has his differences with the labor unions.

**REAR ADMIRAL THOMAS C. HART,** *Superintendent of the Naval Academy.* A surprising example of a man who by his own confidence in himself has overcome many natural handicaps to reach the top. Handsome and dapper, yet opinionated and lacking a sense of humor, the years are mellowing him into an officer of value. Intelligent and competent and one of the youngest flag officers in the Service.

## MEN IN GENERAL

AMONG THE OUTSTANDING MEMBERS of the next generation which will control the Navy a few years removed must be mentioned the newly chosen Rear Admirals Charles P. Snyder, Chief of Staff of the United States Fleet; Samuel W. Bryant, in charge of War Plans at the Navy Department; and Charles S. Freeman, in command of the Special Service Squadron and doing a good job in a ticklish situation off Cuba. Then there are the Captains whose abilities are being felt in the formulation of the policies of their seniors. Outstanding among them are Sinclair Gannon, Adolphus Andrews, Burrel C. Allen, Arthur P. Fairfield, Frank R. McCrary, James O. Richardson, Roe R. Adams, Wilson Brown, Walter S. Anderson, Ralston S. Holmes, Lamar R. Leahy, Frank H. Sadler, Chester W. Nimitz, and, saved till the last, that independent, quiet, ablest of them all—Andrew C. Pickens.

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When Admiral George Dewey, because of his immense prestige and high rank, became a problem to the orderly evolution of the Navy, it was necessary to create a position of dignity and importance in which he could spend his remaining years. The General Board was the result. This was in the days before pressure forced the creation of the Bureau of Naval Operations. The functions originally contemplated for the General Board, but never actively prosecuted by it, have been absorbed since by Naval Operations, leaving it merely as a deliberative body whose findings are but recommendations to be acted on or not as their juniors see fit. Since the war, it has deteriorated into a club for declining admirals whose only reason for decline is that there are no higher positions to which they can attain because they have reached the top of the ladder. Great Britain promotes her Admirals, who through years of successful effort and accomplishment in positions of national and international importance have well served their country, up and out to Admiral of the Fleet, or even to the Peerage. The United States demotes them to Rear Admiral from the lofty pinnacle of Admiral (a temporary grade), robs them of their aids, and starts them on the road down and out via the General Board.

In their offices the shabby rugs and dilapidated, cast-off furniture from the rest of the Department is undoubtedly to prepare them for their approaching withdrawal into obscurity where, untrained in the ways of the commercial world, they attempt to fill in the gap between the pay of retirement and the necessities of life. To add to the chilly, discomforting prospect of its members, a constant stream of fine old sailormen trek back there, once more to dip into the gossip of the Service that has meant life to them. There are men who fought in the Civil War that talk



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about the kids who were commanding battleships in the Spanish War; Admirals whose names rang throughout the world in days gone past; Admirals who date so far back that their sons are on the same retired list with them. To a young man it is an inspiration to see such history parade past him, but to the members of the General Board it is the cold threat of the inevitable.

**REAR ADMIRAL RICHARD HENRY LEIGH,** *Member of the General Board.* Came ashore from Commander-in-chief of the United States Fleet after ascending to that high position by filling every important command step by step. He has never been classed as a dashing leader but rather a sound, sane organizer. He is an electrical engineer of national prominence. Is very conscientious. Always does the right thing socially and officially.

At the present time he is abroad as United States Naval Advisor to the delegation seeking disarmament in Europe while his own Service is demanding the treaty limits for all classes of ships and the dock yards of the nation roar with the rivet hammers turning out men-of-war.

**REAR ADMIRAL FRANK H. CLARK,** *Member General Board.* As commander of the Scouting Force, he stood in line for the appointment to Commander-in-chief of the United States Fleet, the highest position afloat. A large section of the Navy was amazed at his failure to be so appointed. His admirers feel that his independence and extremely brilliant mind made a combination that might be difficult to control from Washington. It apparently was, however, a case of two able men after the same job and one had to be the loser even though his mental capacity might be classed by many as the broadest in the naval service.

**REAR ADMIRAL HARLEY H. CHRISTY,** *Member of the General Board.* One of the few survivors of Nature's noblemen. When the *U. S. S. San Diego* struck a German mine and sank twenty minutes later off Fire Island, he was the last to leave his ship and refused to leave the water until provision was made for every man. Due to his ability and nerve only six men out of a crew of twelve hundred were lost. The Navy Department, taking special note of his heroism, broke all precedents and ordered him, without recognition of the loss of his ship, from the *U. S. S. San Diego* to the *U. S. S. Wyoming* in the Grand Fleet at Scapa Flow. This was one of the five great duty plums for captains during the war. There he served with distinction under Admirals David Beatty and Hugh Rodman.

He made one great mistake in his career. He has made his first Washington tour of duty the last before he retires. Had he served his first in Washington, he would have seen that in addition to ability, wire pulling and proper alignments are necessary before one can climb the steps to the highest office.

## CONGRESS

Such definite constructive effort in naval matters as exists on Capitol Hill emanates from the House Committee on Naval Affairs. The Senate Committee so far has failed to give any evidence of its existence. It may be that the heavy task of greeting and dodging patronage seekers has benumbed the senators. It may be due to the fact that the outstanding trait of the Naval Committee Chairman is his ineffectiveness. It is, however, most probably due to the lack of ability of the larger part of its members. The appointment of Senator Park Trammell of Florida as Chairman of the Naval Committee may be regarded as an argument against the system of seniority that giveh high office to the man who does nothing but sit until his chance arrives.

Handsome David I. Walsh of Massachusetts, who should have succeeded to the chairmanship, has always been a constructive force for the maintenance of our sea force at adequate stresgth. Of late he has been so rapt up in attempting to prevent his own political ship from being scuttled by the party that he has nurtured that he has had little time to think about the ships of others.

Senator Hale of Maine, former Republican chairman of the Naval Committee, inherited his job from an able father whose traditions he tries to live up to. He is slow, but unlike slow rivers, does not flow deep. Before he lost control of this committee, he was described by Senator Reed of Missouri as "a rowboat in charge of the United States Navy."

**CARL VINSON,** *Democrat, Georgia, Chairman of the Committee on Naval Affairs.* Smooth, plausible, hail-fellow-well-met, very intelligent; a natural politician and an excellent friend of the Navy, but his natural instincts along this line are tempered by the political winds. He feels his way carefully and acts effectively. By the force of his ability, he completely domisates the naval situation on the Hill at both ends of the Capitol. Twenty years ago he joined the Naval Committee, opposed to things naval. A good listener with keen, native ability and horse sense,

**W. A. AYRES,** *Democrat, Kansas, Chairman of Subcommittee for the Navy of the Appropriations Committee.* He has an air of detached judgment and considers it his duty and responsibility to apply to the Navy the principles and policies of his party. In as much as the return of the Democrats to power has always found the Navy greatly depleted by Republicas neglect, and in as much as they have always returned the Navy to a position of strength, Mr. Ayres in following his party's principles will, in the long run, be found to be in no sense unreasonable to the Navy. He even will be considered a sound advocate of an "adequate" naval force.

**WILLIAM B. OLIVER,** *Democrat, Alabama.* For many years a member of the Naval Affairs Committee and now on the all important Committee on Appropriations, following the interests of the Service on its Naval Subcommittee. A strong, forceful, clever and skilled debater. His convictions in favor of a strong navy are torn by his prejudice against the great expenditures required for the National Defense. His gentle manner has won him respect and many friends in the Navy.

**GEORGE P. DARROW,** *Republican, Pennsylvania, Naval Affairs Committee.* Cultured, cool, calm, excellent judgment, absolutely sound with respect to the Navy and naval policies and a tower of strength on the Naval Committee. He maintains his principles against all opposition. Highly respected by the House membership for his courteous, gentlemanly, likeable manner.



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# Economic War Reports

## Compiled By E. H. Collins

### American Front

THE LATEST NEWS from the economic war front is that American colors are everywhere victorious. Exports from the United States, paper basis, have risen to the highest level in more than two years, while imports have fallen steadily in recent months. In other years this might be considered ground for great rejoicing, but today it is anything but that. For it brings inexorably nearer the day when impassable trade barriers will be set up against American goods. It cannot be otherwise. Foreign countries cannot afford to deal with a nation whose cost base, as determined by the external value of the dollar, is perpetually shifting. The only defense against a footloose dollar, or any footloose currency, is to keep out entirely goods from that country. The theory of a depreciating currency is that it can overshoot any tariff barrier. An organization has sprung up to agitate against inflation of the currency, and another is trying to head off further increases in the government debt. Yet there is no group getting very vocal about cutting the tariff, a move which might very well make the other two campaigns unnecessary. Mr. Hull, it is true, has been talking tariff agreements at Montevideo, but, free trade man that he is, he continues out of step with the Administration's policy. Manufacturers under a Democratic Administration have been more powerful at Washington than they ever were under a Republican *régime*. The latter day American note in foreign trade is an export bank to finance sales to Russia, with the exporters putting up a nominal amount of capital and the government contributing most of the funds required to finance the sales. We can, of course, sell goods to foreign countries at any time if we "lend" them the money to make the purchases. It seems that this export bank idea may be expanded even farther, calling for the setting up of a corporation which would handle all of the American trade with every country. Such a monumental system of bureaucracy seems fantastic, but it is said that the New Deal contemplates a step of this sort.

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### Russian Sector

ROME REPORTS that Soviet Russia is about to borrow from Peter to pay Paul. Partly because of the desire of Mussolini that Italy be less dependent on imports having to come through Gibraltar, Rome has sought to increase its trade with Russia. In the last few years Italy has sold about $40,000,000 of goods to Russia on credit, with the Fascist government guaranteeing 75 per cent of the total advances. It is no easy job to provide interest and sinking fund on external debt in these times of depressed world commerce and of barter. But Italy has been encouraging Russia to draw on credits recently obtained in the United States to buy cotton and turn the cotton over in payment of older debts. The Soviet now grows practically all of the cotton it needs, whereas before the war, when per capita consumption was only 4.0 pounds, compared with 5.6 pounds annually for the last five years, Russia imported from 400,000 to 500,000 bales a year from the United States. If the Soviet, however, would use the funds obtained in the United States in purchase of some of the surplus American cotton, what happens to the cotton after it leaves these shores appears to be a matter of no concern at Washington. On another front Russia has turned the clock backward in an effort to build up Siberia. A populous and well fed Soviet Far East would be a most valuable aid in supporting a policy of firmness toward Japan. Siberia, therefore, is to have a holiday of five years in some cases, and ten years in others in the collectivist philosophy, with rugged individualism given every encouragement to build up a strong buffer province between Moscow and Harbin.

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### Italian Front

EVENTS AFFECTING the internal and external trade position in the month under review have included a decision on the part of the Fascist officials to put through a reduction of from 10 to 12 per cent in salary and all fixed living charges, such as rents, heat, light and food and transportation; the discussion between Premier Mussolini and Maxim Litvinoff at Rome on ways of improving Italian and Russian exchange of goods and of collecting for goods already sold to the Soviet; the repudiation of the gold clause in the Italian government's American loan; the turning over of a $1,000,000 "token payment" to the United States on war debt account and, in return, the grant to Italy of the largest liquor quota allotted by this country. Of these several developments, that with the greatest importance to the rest of the world is the Fascist plan, now taking form, to reduce costs of goods by wage cuts and price slashes. The apologists for the inflationary moves in many countries, especially in the United States, maintain that further deflation of wages and costs is unthinkable in the present state of world unrest. To Mussolini, however, the attainment of flexibility of costs is not unthinkable, equipped as he is with the necessary means of effecting wage reductions. France, too, seems to be making some headway in deflating budgetary costs.

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### French Front

NATIONAL TRADE RIVALRIES can be observed these days without the benefit of the X-ray. France began by defaulting her war debt payment to this country. In return French vintners have been discriminated against—and



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attention called to the fact, lest it be overlooked—in the fixing of the quotas on liquor imports to this country. Hoping to get a good portion of the American liquor trade, France arranged to have the surtax on American imports discontinued. But when the French liquor quota was set low, the Chamber of Deputies passed a bill which would levy a tax on wages and salaries of foreigners and the government began to harass American concerns about other taxes. French officials pointed out that the government might listen to reason if French wines had readier access to the insatiable American thirst. Another trade war in which France recently engaged was one with Portugal, in which the maneuvers were swift and the weapons were the accustomed ones—tariffs. First, France, at the instance of Basque wine growers, placed a tariff of 10 per cent on port and Madeira, the wines which made Portugal famous. Portugal came back with an 80 per cent tariff on codfish, and France then retaliated with a ban on Portuguese potatoes and a 100 per cent import tax on sardines, the pursuit of which is the sole concern of the Portuguese navy. At this stage a truce was called, but not before Portugal had shaken her currency loose from her gold embrace and aligned it with sterling, making exports easier and imports more difficult to arrange.

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## British Sector

BEFORE THE WAR it was Germany that that was encroaching on British trade, leading to the conflagration of 1914; after the war it was the United States, leading to the publication of a book over-enthusiastically called "America Conquers Britain"; now it is Japan, but what the outcome will be it is too early to say. Already, however, Japanese trade practices have been denounced by the President of the Board of Trade in no uncertain terms. It is a matter without any precedents when a British Cabinet Minister savagely excoriates the business methods of another Great Power. Speaking of the discovery that some imports from Japan bear British labels and trademarks, Mr. Runciman said: "That is a form of dishonesty which any government should do its best to suppress." So it is; but a call-down from the Cabinet is not the form of attention-calling ranking highest in international diplomatic usage. Although Britain has been slow to strike back directly at American competition in currency depreciation, she has not been idle in other fields. A sort of R. F. C. is being formed, with capital supplied by the London banks, for granting loans to industry on a longer basis than bank loans ordinarily cover. In this way "rationalization" can be carried out, making British plants better able to compete in foreign fields through installation of more modern machinery, consolidations and more intensive study of markets. Of still greater importance, however, is the official statement that subsidies are being considered for Britain's merchant fleet. British shipping has suffered most from the new nationalism, wounding Britain in a sentimental and vulnerable spot.

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## Japanese Sector

FOR TWO GENERATIONS Japan has been industriously, and with no little skill, copying Occidental business methods. In one respect the West has played Japan a low trick. About the time Japan had learned the free trade doctrines of Adam Smith and had adapted herself to them, the Western World discarded them. In this transvaluation of commercial values it speaks well for the Japanese that their retreat from the old principle of the free has marked the contribution of an idea to international trade of which a great deal will be heard in the next few years. Her trade methods denounced and her national honor sullied by Great Britain in a fashion rarely seen in time of peace, Japan has taken her humiliation to heart and has decided to mend her ways. No more need foreign countries fear the effects of unrestricted Japanese dumping, bringing on economic ruin to competing industries. Hereafter the Japanese will exercise control over their exports through export associations in which membership will be compulsory. Foreign buyers are to be reassured. Japanese exporters seek only a *quid pro quo* in foreign trade. Just before the end of the year Japan had bought 143,000,000 yen of wool from Australia, compared with Australian takings of Japanese goods worth only 42,000,000. In the face of this disparity Australia has been discouraging Japanese imports. India must buy Japanese textiles or suffer the loss of Japanese purchases of her cottons. A new principle has been introduced in controlled exports.

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## German Front

CONDITIONS IN GERMANY have now reached this pass: The favorable trade balance in November was 43,000,000 marks, or less than half of the October export surplus, leaving the visible excess of exports for the first eleven months only about half of the amount required to provide service on the foreign debt. The slump in the favorable balance is due to three factors. First, German exports to Soviet Russia declined a full third in November as compared with December, reflecting the receipt in Moscow of word of the rantings of Gœring and Goebbels, and for the first time in German-Russian trade relations the German balance is adverse. Second, American purchases of German goods declined appreciably, indicating that the boycott is getting some results. Third, the Reichsbank has been a little more generous in releasing exchange for imports, as Dr. Schacht, with a creditors' conference scheduled for early December, was not anxious to have the devisen holding increase. About half of the November exports were paid for by delivery of scrip, which means that Germany was able to finance her sales abroad at the expense of her foreign creditors. The Reich is busy sloughing off its foreign commercial obligations. Once the world, outside France and the Little Entente, believed that Germany would be scrupulous in preserving intact service on her private debt. Only the incurably naive still hold to this view. Germany has learned a foreign trade lesson at Uncle Sam's knee. The state has assumed control of the butter, cheese and egg industry and is prepared to barter orders for these staples for orders for German manufactured goods. This is the kind of trading the United States is doing with liquor imports.

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## Latin American Sector

THE PAN-AMERICAN CONFERENCE in Montevideo is drawing to a close without spectacular achievements. Perhaps the most significant feature of its sessions has been the unanimity with which all countries, including the United States, favor in principle lower tariff barriers. Evidence is accumu-

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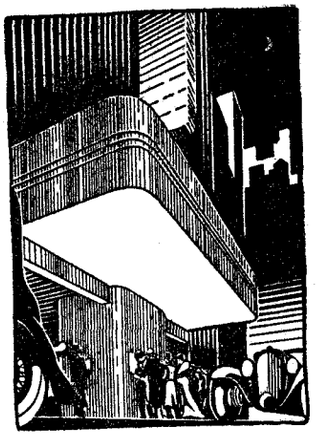

# To See or Not to See

## By Cy Caldwell

### Mary of Scotland *Play by Maxwell Anderson. Presented by the Theatre Guild, Inc.*

Boldly kicking sour-visaged history out of the back door, Mr. Anderson has gallantly ushered into the Alvin Theatre a queen fashioned to his own ideas of what a queen ought to be, even if she wasn't. Mr. Anderson's Mary of Scotland (Helen Hayes) is a brave, sweet, lovely numbskull, trusting, patriotic, pure in heart; his Earl of Bothwell (Philip Merivale) is a noble hero and not the scheming politician and murderer that history makes him out to be. I'm not complaining, mind you, for I enjoyed the play, but I know that I'd have enjoyed it far more if these two characters had been fashioned more nearly like real people instead of being merely romantic concepts of a playwright's imagination. As such, I accept them as magnificent figures of the theatre, clothed in grace, dignity, and high ideals—in short, hokum. After all, why should we complain if the theatre adds regal virtues to people who in real life rated no higher morally than vice-presidents or Congressmen? Let us be grateful for that much more of illusion.

It is a magnificent production that the Theatre Guild has accorded Mr. Anderson's poetic rewriting of history without benefit of realism. Miss Hayes by sheer acting ability overcomes the windy romanticism of Mr. Anderson's lines; she is every inch a queen. And Mr. Merivale is such a Bothwell as no scheming Scot ever could have been; but no matter, he is a splendid Andersonian Bothwell. I'd be interested to see what Mr. Anderson would make of that slick and amusing conscientious objector, Ramsay MacDonald—he is so good at pouring hard-headed Scotchmen into poetic moulds.

But an end to this carping by an old realist with his number twelve feet on the ground. Mary of Scotland is a grand and glorious excursion into the land of Just Suppose; it is magnificent, poetic, dramatically forceful, and gaudily unbelievable in everything except Helen Menken's Elizabeth, the sour, vicious, imperious woman who was England's queen.

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### Josephus *Play by Maurice Schwartz from the novel of Lion Feuchtwanger. At the Yiddish Art Theatre*

If those who do not speak Yiddish will read the English synopsis of the play they will have no difficulty in following the action of this remarkable drama of Josephus, Jewish priest, general, and historian whose ambition and energy made him first the Governor of his people and then the power behind the throne of the Roman Emperor, Vespasian. Elaborately set in twenty-six impressive scenes, the drama depicts the uprising of the Jews in 67 A.D., their defeat by the Roman legions under Vespasian, and the burning of the Temple at Jerusalem. Through this colorful historical pageant moves the strange figure of Josephus, at first a kindly seeker after justice, then a courageous military leader, and finally the recipient of Roman favors. To such an extent has the art of expression been developed by Jewish actors that language is unnecessary to make all of this—at least in its general outlines—perfectly clear to the many members of the audience who understand no Jewish. To me it is a matter of watching people whose language is strange but whose every action and intonation carries a meaning that is almost as clear to me as though I understood the words. Maurice Schwartz is superb as Josephus, while as Vespasian Isidore Cashier gives a vivid and lusty performance which, as a forceful and amusing impersonation, is even better than that of Charles Laughton as Henry VIII.

### She Loves Me Not *Comedy by Howard Lindsay. Presented by Dwight Deere Wiman and Tom Weatherly*

One of the most entertaining shows in town and I advise you to see it if you relish a hair-brained rollicking farce that frolics with untiring hilarity between Philadelphia, Princeton, New York, Detroit, and Washington. There is never a dull moment in the nineteen scenes on six stages, the nimble settings of which were designed by Raymond Sovey. From the moment when a night club girl, wanted by the police as witness to a racketeer murder, invades a Princeton dormitory, and is protected by the innocent seniors, until the time when she is catapulted to notoriety in the movies, you will find cause for almost continuous laughter which whirls around movie magnates, press agents, reporters, society girls, gangsters, college deans, and even the Communist party. She Loves Me Not is a delirious riot of the gayest satire imaginable; it's twice as funny as President's Roosevelt's collegiate brainstorm trust, and won't cost you nearly so much. Don't miss it.

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### All Good Americans *Comedy by Laura and S. J. Perelman. Presented by Courtney Burr*

Here is one of those artificial comedies in which, after the first half hour of it, you begin to suspect that the authors have leaned back after writing ever second line and have remarked happily to each other, "I'll bet the audience is simply going to laugh its head off at that one!" Well, it does, here and there. But unforunately it soon becomes too, too obvious that the playwrights were concerned less with life than with laughs, upon which the various tinny characters take their places as phonograph horns through which the collaborators grind out their thoughtfully manufactured witticisms. And that's the trouble with All Good Americans—it's merely a collection of wisecracks, and even odd Americans living in Paris don't talk only in wisecracks; such peculiar growths as magazine writers, newspaper correspondents, and style-writers aren't funny all of the time. If they are, on the stage, you lose belief and interest in them, as I did in these characters whom Hope Williams, Fred Keating, Eric Dressler, Mary Philips and others impersonate so well. If only they weren't trying to be so killingly funny! But they are, and I grew impatient with them, as I fear that you will. However, if you have nothing to do some evening, and if you don't go expecting too much, I think you'll find this showy little exhibition mildly but pleasantly diverting.

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### The Dark Tower *Melodrama by Alexander Woollcott and George S. Kaufman. Presented by Sam H. Harris*

This witty and literate melodrama is a subtle and fascinating study in the fine art of theatrical murder, blessed with a highly entertaining group of characters who are far more human and amusing than are the usual crime play inhabitants. It is almost as much a comedy as it is a murder play, for even the villain, poisonous snake though he is, invites laughter; and everyone, including the police inspector and the audience, amiably agree that he should be killed, so where's the harm in killing him? If half of the world's politicans could be removed as pleasantly and as expeditiously, at either a matinee or an evening performance, this would be a fairer place for taxpayers and theatregoers alike. Basil Sydney gives an outstanding performance in a cast of general excellence which includes Ernest Milton, William Harrigan, Margaret Dale, Margalo Gillmore, and Margaret Hamilton. If you like polished melodrama, here's a smooth one that is worth seeing.



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## Tobacco Road *Play by Jack Kirkland, from the novel by Erskine Caldwell. Presented by Anthony Brown*

Grimly comic, profane, obscene, brutal, foul, Tobacco Road is a ruttish, earthy study of complete and hopeless degeneracy among the poor whites of the Georgia back-country. It is not to be recommended to those who hold that the sexual eccentricities of the depraved human animal should not be exhibited on the stage. But if, like myself, you believe that every phase of life (if it *is* life, and not mere dirt for dirt's sake) is a fit subject for examination by an adult audience, then you will find Tobacco Road an honest and sincere depiction of life at one of its lowest levels. It tells the story of Jeeter Lester, lazy, dissolute, filthy, starving, whose one recognizable virtue is a love of the land on which his forefathers had settled and which they had farmed for generations. Indifferent to poverty, only mildly annoyed by starvation, Jeeter casually and shiftlessly accepts life as it comes to him, working never, stealing occasionally, but holding cheerfully to a Micawber-like hope that his lot will be improved. The loves and hates of his children, the death of his mother and his wife, leave him unmoved; only the fear that he will be driven from the mortgaged land evokes from him any display of emotion. Finally left alone, with hope vanished, he sits on the porch of his ramshackle hut, idly running through his fingers some of the earth that he had neither the desire nor the ability to till, although it was the only thing that he had ever loved. As Jeeter, Henry Hull gives a marvelous, a miraculous performance; it is the most realistic, the most complete impersonation I have ever seen. In every ironically comic, filthy, loathsome detail, Jeeter Lester comes to life, chatters and slouches into your memory to loaf there forever.

## Design for Living *Paramount*

Noel Coward's stage play about three people who loved each other very much has been made safe for the folks in Dubuque, Iowa. Run through the Ben Hecht-Ernst Lubitsch rewriting and picture-taking factory, it comes out with title intact but with only one solitary line of dialogue from the play. Some time when he has an afternoon off I hope that Mr. Hecht will rewrite Shakespeare for my relatives in Peoria, Illinois. Although I never considered Mr. Coward's play an especially brilliant piece of work, compared to this little program picture it is a scintillating masterpiece. The film is only a second-rate Lubitsch comedy—not to be compared with his Trouble in Paradise. Instead of Alfred Lunt, Lynn Fontanne, and Noel Coward, who appeared in the stage play, we have those antic comedians, Gary Cooper and Fredric March, with Miriam Hopkins doing as well as could be expected. The result is amusing in spots, and those who didn't see the play will find the picture fair-to-middling entertainment.

## Roberta *Musical comedy by Jerome Kern and Otto Harbach. Presented by Max Gordon*

Roberta seemed to me a fashion show as dull as it was lavish. An American college boy falls heir to his aunt's dressmaking establishment in Paris, falls in love with her assistant, who used to be a Russian princess, and they run the business together. What feeble comedy has been devised for this is handled as well as it deserves by Lyda Roberti and Bob Hope, who are about equal to their material. The costumes by Kiviette and the settings by Clarke Robinson are the best part of the show, which women may enjoy. It might increase business to reverse the usual procedure and give two evening and six matinee performances each week.

## Lew Leslie's Blackbirds *Negro musical revue. Presented by Sepia Guild Players, Inc.*

A negro revue minus original music and comedy is indeed a sad affair, no matter how tirelessly a sepia chorus may perform. This edition of the Blackbirds is so appallingly unfunny that it must be embarrassing even to the mediocre comedians who endeavor to project it to the patient sufferers on the other side of the footlights. Viewing it on the second night, when the incomparable Bill Robinson was billed as guest star, I endured it patiently, rewarded by his brief appearances. What it must be without him I can imagine, and shudder at the thought. Nat N. Dorfman has supplied most of the sketches, such as Design for Harlem, with apologies to Noel Coward; No Dinner at Eight, with apologies to M.G.M.; and Maedchen Without Uniform, and without apologies even to the audience, who could sue Mr. Dorfman for boring them and collect heavy damages.

## Peace on Earth *Drama by George Sklar and Albert Maltz. Presented by the Theatre Union, Inc.*

Fearing that the munitions they are loading will be used in another war, those noble idealists, the stevedores and longshoremen, go on strike; a college professor becomes involved with the strikers, a man is shot, and the professor is sentenced to be hanged, apparently for inciting mob violence. The drama, unrelieved by the slightest touch of humor, but lightened somewhat by satire, bawled its head off at capitalists, college presidents, munitions manufacturers, strike breakers, profiteers, and other deplorable fauna of our decaying system; and it did this with an uneven theatrical effectiveness which sometimes was moving for its own sincere sake, but more often was rather amusing for its ignoring of the facts of human life and international relations. A saddened realist myself, I simply cannot accept stevedores as noble, self-sacrificing idealists; when they strike they strike for more pay or for better working conditions, not for the welfare of humanity. Thus to me the entire drama seemed to be founded on a loony idea. But it proved again that it's the rich what gets the profits, it's the poor what gets the blame—which I have always suspected anyhow. Peace On Earth is an earnest, perfervid howl for peace and harmony among the workers of the world; it is as fervent as it is sophomoric, and when it occasionally captures some of the stuff of real life it almost instantly buries it under a load of indignation. While I do not recommend the play, I may say that I enjoyed it immensely, though not as the authors evidently hoped that I would. They wrote it as a tragedy, and I liked it as a comedy.

## Roman Scandals *United Artists—Goldwyn*

Any screen musical comedy that ventures away from the usual stage background, with the tired dance director and the standard song writer having trouble with the ingenue, is refreshing to this tired onlooker. While Roman Scandals is not quite as amusing as Eddie Cantor's other pictures, it is lively entertainment and rejoices in the funniest chariot race ever filmed. For that alone the picture should not be missed. In view of the overwhelming popularity of Eddie Cantor as a comedian, I admit frankly that there must be something wrong with me, for I honestly consider him one of the most unfunny men of this generation. In this comedy, for instance, I can imagine Edward Everett Horton or Laurel and Hardy or Jimmy Durante or Ed Wynn or John Nance Garner being very funny; but while I can laugh at Mr. Cantor's lines and at the situation in which he finds himself, I simply cannot laugh at Mr. Cantor. I take him as seriously as he used to take his stock market speculations. Which is no way to take a comedian. But even though you may be as much out of step as I am about Mr. Cantor's laughter content, don't let that keep you away from Roman Scandals; it's a funny show in its own right, and the chariot race hits the high point of fast comedy.

## Counsellor-at-Law *Universal*

Through thick and thin the movies stick stubbornly to their policy of casting Big Names in leading roles, whether or not the Big Name is fitted for the part. In this faithful screen version of Elmer Rice's stage play, for example, the central figure, a successful Jewish laywer who was raised in New York's Ghetto, is impersonated by that well known old East Side boy, John Barrymore, Nordic profile and all. As the racial heritage of this central character is the most important feature of the play, Mr. Barrymore finds himself in a dilemma, which he solves by being merely Mr. Barrymore. It is as though Primo Carnera, hired to play the part of a dwarf, simply went on and did the best he could in the circumstances. That Mr. Barrymore comes through the ordeal as well as he does is greatly to his credit. My discontent is directed not at him as an actor but at the movie magnates, who undoubtedly would cast Kate Smith or Mae West as little Alice in Wonderland if they thought that those names would bring a few more patrons to the movie temples. Counsellor-at-law is an interesting program picture, but it is not to be compared to the play with Paul Muni in the leading role.

## Advice to the Lovelorn *United Artists — Twentieth Century*

The dashing and garrulous Lee Tracy, Hollywood's severest balcony critic of the Mexican Cadet Corps, finds himself in the position of a hard-boiled reporter who is forced to run an advice to the lovelorn column for his paper. As the story began, I smiled with delight, for here was an idea from which excellent humor could have been distilled. But after a few drops are squeezed out, the film goes wildly melodramatic and finally sputters out in futility.



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# War and the Russian Agreement

## By Henry Kittredge Norton

Russian recognition has created world-wide speculation as to its implications in the troubled Far Eastern situation. Mr. Norton discusses the suspicions of the existence of a secret U. S.-Russia war pact.

AFTER sixteen years of hesitation, the United States Government has recognized the Soviet Government of Russia. Upon the achievement of recognition, one of the familiar factors of post-war world politics—the official diffidence between Washington and Moscow—disappeared. No longer will it be necessary for a Secretary of State of the United States piously to avert his gaze whenever anything Russian comes over the horizon. And if a Secretary of State should hereafter decide that Russia should be diplomatically slapped on the wrist, he can do it himself instead of asking the French Foreign Minister to perform the painful duty for him.

There are many who rejoice over these indications of progress in world affairs. There are also many—devious fellows these—who are wondering just what may have taken the place of the traditional Russo-American aversion in the tangled web of international politics. From London to Tokio runs the chain of hypothesis and speculation as to what may be behind the American recognition of Russia. In every case the speculation turns upon the Far Eastern situation. The major question is how the re-establishment of diplomatic relations between the United States and Russia will affect the delicate situation which Japan precipitated by her invasion of the Asian continent. Each of the great European capitals has a finger in this pie and each Foreign Office is trying to figure out how the new combination will affect its particular interest. Their surmises are in many cases sired by wishes.

British Tories are inclined to see little good in the American recognition of a government which they look upon as the most persistent enemy of the whole British imperial system. The natural reaction is to consider the desirability of renewing the Anglo-Japanese alliance, which was brought to an end at the Washington Conference in 1922 out of respect for the sensibilities of the United States and the British Pacific Dominions. British Labor circles, on the other hand, are well pleased at the American action and see in it a possible curb upon the aggression of the Japanese imperialists.

The French are more cautious than the British and less spontaneous in their expressions of opinion. They are essentially conservative at the present time because France now occupies a position of dominance on the European continent such as she has not enjoyed since the days of Napoleon. The France of today has little love for Russia and a very real sympathy for Japan—especially as Japan has held out hopes that, if she gets control of the Chinese Eastern Railway, recognition will be accorded the French interests, which have been brazenly ignored by both Russians and Chinese. France, therefore, has not rejoiced over the American action.

The reaction in other European capitals is less clear, and perhaps less important. It is in China that President Roosevelt's action has evoked real and spontaneous enthusiasm. In all her dealings with the West (and this includes Russia and Japan) China has never missed an opportunity to play off one Power against another, or one combination of Powers against another combination. Her skill in this game has enabled her for decades to pursue, with only occasional interruptions, her national effort to set her own house in disorder. When Japan marched into Manchuria in 1931, China carried her plea for protection in the name of peace and justice to the Powers, jointly at Geneva, and separately at their respective capitals. There followed a number of gestures, excellent as gestures, but wholly ineffective in stopping the Japanese advance into what the Chinese insist is Chinese territory. The Powers had "betrayed" China.

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The resulting mood of depression was at once dispelled by the news that the United States had recognized the Soviet Government. In spite of a number of very good reasons why China should mistrust the vehemently protested friendship of the new Russia, Chinese sentiment constantly veers toward Moscow as the best bet in a none too friendly world. Thus Russia has come to occupy the place in Chinese favor which was formerly held by the United States. The possibility of Russo-American friendship has, therefore, fired the Chinese with a new hope for the vicarious expulsion of Japan from Manchuria.

Nor has Tokio overlooked the potentialities of American recognition. Japanese officialdom relies with a certain measure of confidence upon the traditional American reluctance to become involved in foreign entanglements of any kind. Nevertheless, there would have been no regret in official circles if the iciness between Washington and



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Moscow had not melted in the warmth of the Rooseveltian smile. The clansmen of Choshu, who run the Japanese Army, look upon Russia as their greatest potential enemy. The clansmen of Satsuma, who run the Japanese Navy, look upon the United States as their greatest potential enemy. From the point of view of national strategy neither could well rejoice over a Russo-American rapprochement. But from the point of view of budgetary strategy, such a rapprochement may be helpful in justifying the demands for increasing appropriations for both branches of the Japanese military establishment.

Under such circumstances we should expect little soft-pedaling of the speculations in the Japanese press as to the possibility of cooperation between Washington and Moscow against Japan. It is an important part of the Japanese scheme of things that the people of Japan should know and think what the Government of Japan wishes them to know and think. In the present juncture, it well serves the Government's purpose to allow the Japanese people to think in terms of a Russo-American alliance against Japan.

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It is to be noted that all of this conjecturing, from London to Tokio, is based upon the idea that behind the bare fact of the diplomatic recognition of Russia lurks something—an understanding, an agreement, an entente, an alliance—which is destined to have far-reaching effects upon the international political structure. There is even considerable concern in the United States itself as to whether there is not something connected with the policy of recognition besides the very doubtful trade advantages which have been played up to justify it. What passed between Mr. Litvinov and the President is not known. And more than one editor has felt called upon to warn the Administration against getting the United States mixed up in any Far Eastern conflicts.

It may be granted that the reestablishment of diplomatic relations between Washington and Moscow at this time opens the way for more intimate consideration of the Far Eastern situation. As both the United States and Russia have interests in that part of the world which are menaced in some degree by Japanese aggression, the two governments will naturally see eye to eye some aspects of the problem. But it is a long way from this to anything which even the most speculatively inclined international politician could possibly construe as a Russo-American alliance. To suggest that the Administration has arrived at any understanding with Russia which might be so construed, is to attribute to it either puerility or senility.

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Certainly there is no suggestion of public opinion in this country in favor of such an arrangement. Condemnation of Japan's action in Manchuria and North China is widespread. But the material interests of American citizens involved are almost negligible. The condemnation of Japan is based almost wholly upon the lively interest of the American people in peace and upon the belief that the action of Japan has destroyed much of what has been accomplished in the way of setting up peace machinery since the World War. Nowhere is there any indication that the people of this country are willing to assume, or even to share, the responsibility for opposing Japanese ambitions by military force.

This aversion to military entanglements applies equally to any part of the world. But there is perhaps less reason for any other attitude in the Far East than elsewhere. Not only is our material stake a small one, but the rights and the wrongs of the matter are anything but clear-cut. The situation is highly inflammable and war is quite as likely to be precipitated by the action of a lot of unknown Mongol princes in the no-man's land between the spheres of Russian and Japanese influence, as it is by considerations of high policy in either Moscow or Tokio—to say nothing of Washington.

Under such circumstances, the realists who direct the affairs of Soviet Russia would hardly waste their time trying to get the government of this country to agree to join forces with them in the event of an outbreak of hostilities between their country and Japan. The last time Russia and Japan were at war, our sympathies were all with Japan as the brave little nation which had dared to oppose the Russian colossus. Such emotionalism would be out of place in the event of a new conflict. We should have no sentimental regard for Japan. But we should, nevertheless, be quite willing to sell her whatever munitions and supplies she could find the money to pay for. There might even be enough Americans willing to buy Japanese bonds to enable us to sell her a lot of goods on credit.

This effective form of friendliness, however, would not be bestowed in such a way as to be discriminatory against Soviet Russia. It is doubtful if we should sentimentalize much over the Russian cause in any new war with Japan. Our producers would doubtless be quite willing to supply the Russians with anything they might need in the way of supplies and ammunition. And our bankers would readily assist by seeking out those of our people who had just the right combination of money and sentiment which would cause them to buy Russian bonds.

Unidealistic as all this may seem, it would, in the absence of any good reason for taking any other view, fairly represent the attitude of the people of this country toward a renewal of the old struggle of Russia and Japan on the plains of Manchuria. But what of the other possibility? What if we should become embroiled with Japan on the Pacific? Should we not be glad to have Russian assistance against Japan in that case? Would not the security afforded in such a contingency by a Russian alliance be worth the risk of being drawn into a struggle which might begin in Manchuria?

The answer is an emphatic "No!" This answer may be dictated by cynicism, but he who leaves cynicism out of his study of international affairs sees very little of the subject. The long and short of the matter is that Russia will inevitably become our effective ally in the event of any trouble between ourselves and Japan, even though we decline to pledge Russia any aid in the event of trouble between her and Japan.

Russia and Japan have contested the domination of Manchuria since they first came into contact in 1860. At that time Russia got some advantage by securing possession



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of Eastern Siberia and Vladivostok. The Boxer Rebellion was used as a justification for another Russian advance which practically over-ran Manchuria. Approaching danger spurred the Japanese to new resistance, which resulted in the defeat of Russia in 1905. There followed a truce, during which Northern Manchuria was regarded as a Russian sphere of influence while Southern Manchuria remained under the domination of the Japanese. In 1918, when the rest of the world was busy fighting itself elsewhere, the Japanese military party renewed their effort to establish the Empire in northeastern Asia. The Bolshevik revolution had paralyzed the power of Russia in the Far East, and it fell to the lot of the United States to act as the brake to Japanese ambitions. A corps of American engineers under Colonel Stevens stood guard over the Chinese Eastern Railway, while a division of American troops under General Graves, acting in "coöperation" with the Japanese troops, managed to retard the latter in their effort to take over eastern Siberia. By 1921, Soviet Russia had gathered sufficient strength to make it very uncomfortable for Japan in eastern Siberia. China had thrown out a pro-Japanese government in her usual revolutionary fashion. And the weight of the United States, placed in the scales at the Washington Conference, served to negate all of the Japanese efforts and to bring the Empire back to its 1910 boundaries.

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It might be said, then, that we have already rendered a service to Russia which would warrant us in expecting help from that country in the event of trouble between us and Japan on the Pacific. Certain it is that American effort is in no small measure responsible for the fact that Japan is not today ensconced along the shores of Lake Baikal. A wholesome realism forbids the conclusion that Russia would aid us against Japan in gratitude for anything that took place in 1922. In the event of our having trouble with Japan in the Pacific, Russia will aid us for just one reason. That reason is that it will be of advantage to Russia at the time.

Although a great many Japanese do not know it, a naval struggle with the United States on the Pacific would be a terrific strain upon the Japanese economic, political and social structure. It would require the supreme concentration of every ounce of the national energy in support of the maritime forces. In such a struggle Japan would have to turn her back upon Manchuria and rivet her attention upon the Pacific. This turn of affairs would be the equivalent of issuing three very pressing invitations. The first would be an invitation to the Chinese to re-establish their claim upon Manchuria as a constituent part of the Chinese Republic. The second would be an invitation to the Mongols, who are the dominant element in western Manchuria, to assert their independence. The third would be an invitation to Russia to embrace a Heaven-sent opportunity to renew her traditional effort to bring Manchuria within her own boundaries. The Chinese and the Mongols would furnish disturbing elements to be dealt with by both sides as occasion demanded, but the real protagonists would be Russia and Japan.

To assume that Russia would not jump into the *mêlée* in the event of an American-Japanese war would be as naive as to assume that a Hitlerite Germany would not move into the Polish corridor in the event of a war between France and England. It is simply one of the inevitabilities of nationalism. The traditional Russian urge to expansion, and especially in the direction of warm water, has changed only its method of procedure under the Bolshevik regime. Its essential character remains unchanged.

The plain fact is that the United States, so far as Japan is concerned, not only can, but does, enjoy all of the advantages of a Russian alliance without any of the awkward responsibilities. It can, if it likes, stand aside as a neutral in any Russo-Japanese conflict and it can count upon all the power which Russia can bring to bear in the Far East, in the event of a Japanese-American conflict in the Pacific.

In such circumstances, then, it would be sheer quixotism on the part of the United States to enter into an alliance, however informal, with the government of Russia. We are in an enviable position, but the advantage to us is inherent in a situation which is not of our making. This situation is of long standing. The recognition of the Soviet government does not alter in the slightest its essentials. The advantage to us remains now as it was before. There seems no good reason why we should not act accordingly and allow our traditional aversion to foreign entanglements to curb our traditional tendency to emulate Don Quixote.

There is a further consideration which might give pause to those abroad and in this country who fear that the mere recognition of the Soviet government may put us at the mercy of Russian adventuring in Manchuria. This consideration is that there is no machinery by which the United States can make a secret alliance with Russia or anybody else. Any treaty to be binding upon this country must be ratified by a two-thirds vote of the Senate. That is difficult enough to obtain even after prolonged public debate. No President has ever tried to get it secretly.

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To be sure former President Theodore Roosevelt went through the motions of making an executive agreement with Japan at the time of the Russo-Japanese War. He kept it secret from the Senate and every one else. But he thereby rendered it nugatory except in so far as he himself, while he remained President, could bring the country to follow him in the direction in which he had agreed to go. His "agreement" was binding on nobody else in or out of the government.

Of as little validity would be any "understanding" arrived at between M. Litvinov and President Roosevelt. It would lay no obligation whatever upon the country. It would be as near a futility as anything could be. And why should the President make any understanding? He was not asking for anything. We already had all we wanted from Russia. Why put the national head in an international noose to no purpose? Roosevelt has a winning smile—but he can say "no" as well as "yes" through its wrinkles.

The only Russo-American alliance against Japan is in the minds of those, here or in other countries, who have need of a bogey of this particular variety.



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# Our Western Exposure to Culture

By Cedric Fowler

"Technical illiteracy" is the chief dividend being paid on America's overwhelming investment in education. The imminent breakdown of our educational system, the writer warns, calls for investigation of this strange result.

AMERICA'S faith in democracy leans heavily upon education. As far back as the founding fathers, we decided that our people should not only be free citizens, but educated citizens as well. The ability to vote, to criticize and change our government, to alter the Constitution, has implied an equal ability to read, to write, to figure and to experience at least a certain exposure to the elements of culture. We have determined that equality of opportunity requires equality of preparation, and our aim in education has been to give every American child the chance to be ready for whatever fate and the social system may bring to him.

Several emotions, some of them distinctively American, have dominated this feeling. Our concept of the state places more value on the educated citizen. We feel that his services are more useful, his criticism and efforts to guide the state sounder, his support more solid. The American people have yet to subscribe to the Fascist notion that an illiterate populace, unacquainted with the rudiments of thought, makes the best background for a healthy nation. Even in time of war we have felt that our people are better if encouraged to develop what intelligence destiny may have given them. During the last great struggle, the government spent thousands of dollars and employed hundreds of experts in testing the mentality of our vast conscript army. The results were gloomy, even somewhat of a shock to the more optimistic prophets of mass education—but they were not allowed to slow down the fundamental drive towards schooling for all.

A more homely motive has been economic. Since the days of Poor Richard, American children have been told that they will do better in the competitive world if they were educated. Every self-made millionaire has proudly admitted his efforts to acquire education along with his fortune, and sends his children to the best schools which money can provide. Limitless statistics assert that the college trained worker will make more money than his untrained comrade. The lowest paid jobs above the manual labor level demand at least high school training. Children in rebellion against school are bitterly reminded that they will spend their lives in drudgery if they refuse the opportunity which a benevolent government has provided for them. Education for the professions has been stretched to the point where it occupies almost a quarter of the candidate's working life. The motive of greater reward has been dominant, whereby the best trained mind can expect to command the highest cash return in his field.

Social appeal often bordering on snobbery has been used to bolster the search for education. Philanthropic publishers offer handy guides to culture for those who desire to shine at the dinner table. Modern young couples need not sit and glower at each other because they have nothing to do—they can spend their evenings discussing yesterday's quarter hour with the classics. The college trained man, who feels at home with all the best that's been said and thought throughout the ages, is the ideal; but if you have missed college, a brief daily workout with the five foot shelf will put you right. No one can ever be lonely who has the companionship of culture, especially since the necessary books can be bought on the easy payment plan—so we are told. And here again the economic motive creeps in. Many a board of directors has been knocked off its seats by the unexpected eloquence, learning and wit of the man who spends his leisure time with the great minds of history. Invest in education—it will pay dividends in pleasure, promotion and success when all the common stocks in the land have withered.

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The American people has rendered more than lip service to this ideal of schooling for all. It has responded generously to the demands of its faith and the recommendations and schemes of its educational ministers. The largest productive slice of our social investment goes to education. School plant, with some exceptions in the poorer rural areas, is extensive and sometimes even lavish. Teaching has been made an honorable, and, if not highly remunerative, a secure career. Behind the sentimentality about the little old schoolhouse is a genuine respect for the advantages schooling has to offer, and an active will to increase and spread those advantages as widely as can be done. America has been hospitable to a vast body of ideas and experiments for the development of education, perhaps more hospitable than any other country. Frequently we have gone to the length of backing educational moves of doubtful or inflated value. In our en-



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thusiasm for growth and progress we have occasionally watered the educational stock as briskly as any railroad issue—and often with as little real return for the investment.

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We have written this taste for expansion into law. Every state in the union has a maximum age requirement for attendance, the majority of them running well into adolescence. Legally, the day of the struggling youth who could begin his rise to fortune at the age of eight has departed. He must wait until sixteen at the earliest —and in some districts, eighteen. In the interval he is exposed, if his mental level is not too discouragingly low, to eight years of elementary and four years of secondary education. Most states provide free tuition in one or more colleges, where a further four years can round off the process for those economically able to accept the offer. Economically able is the phrase, for few above the moron level can fail of entrance, provided they have been through the four years' preliminary canter in high school.

The bulk of Americans, however, do not go to college, if only because they cannot afford it. But they do go to high school, and in this field our educational expansion has been most striking. Benjamin Franklin, with a scheme of free academies for those who could not pay for private schooling, began the movement. Since that time it has progressed to a present stage where we find more than half of our adolescent youth in secondary schools—four million in number—with an annual bill of four billion dollars for upkeep. The impetus has been especially rapid in the last fifty years. In that period, high school attendance has increased three times as rapidly as the population. For the most part the taxpayer has willingly paid the costs of this development, when he has had the money, and even in Chicago there were loud and well organized protests when the city government felt itself compelled to cut the school appropriations.

Community pride has helped greatly in this cheerful support. In many towns and villages the high school is the most prominent center of intellectual and even of social life—replacing the old fashioned opera house of a generation ago, and to a certain extent, the church. Small towns burden themselves with stiff bond issues to erect the last word in buildings and equipment, and visitors will be shown the new high school long before they are permitted to see the water works, the Indian leap or the new abattoir. The principal is frequently imported at considerable cost from some larger city, and if he chooses to exert himself in the Lions, the Elks or Rotary, he can become a powerful figure in the community. And his school can become the focus of the town's desire and effort for its share of the cultural life.

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But this allegiance to the idea of mass education requires more than simply the expenditure of money, and involves issues more serious than local pride in fine institutions. It calls for large portions of time and effort on the part of those who are subject to it. Four years represents a sizable slice out of a young citizen's life. Often it is only achieved at the cost of considerable sacrifice. To the citizen who must share the family support, the amount of time consumed in schooling may be critical. Until some system of economic aid more inclusive than free tuition has been devised, it will continue to be a serious element. Our generous offer of education has for the most part made acceptance compulsory. Almost nothing has been done to make it easy. It is pertinent, therefore, to inquire both from the pupil's and from the taxpayer's point of view whether the time and effort consumed in four years' secondary schooling is wholly well spent.

A blunt answer would indicate that it is not. Neither pupils nor the society that supports the schools are receiving the return they are entitled to. Both the investment in time and the investment in money are failing to return the profit due. Behind the slogans on democracy and education for all is a serious paucity of achievement. The pupils are not acquiring the kind and measure of education they will use in later life with any quantity of cultural—or even economic—return. For most of them the high school period is, and remains, a four year stalemate. Society is not receiving more than a bare minimum of the trained and able recruits it should expect from its high schools. Fifty years of intensive progress in high school training have shown the poorest results in the educational field.

The effort has been vigorous and sustained. Even in times of severe crisis, public support has not flagged. Within professional and personal limits teachers have worked hard for the desired result, an annual corps of school graduates that will justify the large proportion of the nation's energy and will that goes into education. Their efforts have not succeeded. Socially and culturally the balance is low. Leading educators are aware of it, and some have for years been attempting to bring the poverty of result to attention. Secondary education has run severely in the red—not financially, but in almost every term of social profit.

The most depressing fact is that the education makes remarkably little impression upon most of those who undergo it. America has been spending its time and money with no more permanent result than to delay the arrival of four or more million adolescents into maturity. A pathetic minimum of high school graduates enters life with a cultural equipment worthy of the name. They leave school with neither the ability nor the desire to continue their acquaintance with knowledge and the fruits of human learning. Most of them fail to open a book after graduation, although they have acquired at least the knack during their four years in high school. America publishes (and reads) fewer books per capita than any nation of comparable civilization. We are a literate nation in the sense that we *can* read, but not in the wider sense that we do read. Authors and publishers have complained for years that they cannot hope for anything like the circulation their European comrades achieve, even in the popular fields.

And yet we have spread education further than any other country. In England, France and Germany by no means everyone has the opportunity to attend secondary school. Russia has the ideal, but its operation is hampered by lack of equipment and trained teachers. Yet Europe publishes many times more books, employs its libraries more thor-



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oughly, reads more than we do. In Russia, especially, the whole nation seems to have gone on a protracted culture jag. Nothing like it has been experienced in the United States. We do not read, we do not go to the theatre, we do not listen to music or look at pictures as a nation. Our cultural life is supported by a small intellectual élite—not by our people.

It is true, of course, that there are counter attractions. Movies and radio are the two strongest. If twenty million children go to elementary school, and four million to secondary school, fifty million people go once a week to the movies. They offer a cheap and easy form of entertainment, especially since the talkies, for old silent pictures required at least the ability to spell out the captions. Radio obviates the visual appeal completely, and in the last five years has become as strong a rival to culture as the screen. Newspapers of the more elemental sort perform the same function. It was said of Hearst that he published papers for people who have to move their lips when they read. The tabloids have gone further, for they are designed for people who hardly desire to read at all. Tabloid editors have denied this, saying that their papers lead the public to better things by beginning at the lowest bottom. But the evidence is against them—watch any streetcar load of tabloid buyers stolidly looking over the day's mess of murder, scandal and sexual exhibitionism. Curiously enough, all of them have been to school. Many of them have been to high school. God knows, some of them have even been to college.

It might be called technical illiteracy, this failure to take advantage of the education a generous system has provided. It is not a uniquely American vice, but it flourishes most with us. Conspicuous waste is a national characteristic. We like to throw our blessings high, wide and handsome, no matter how costly or difficult it has been to provide them. Mass education is an excellent example of our prodigality. We have destroyed forests, ore deposits, farm lands, oil reserves more than we have used them. The same reckless process is taking place in education. The need for intelligent use of these resources has never been greater. It will not grow less. Already leading thinkers are wondering what we shall do with the "new leisure" so abundantly promised by the optimists in Washington. The pious hope is that we shall use it to cultivate our minds. Education will have to be considerably improved before we do. Leisure now is not spent in cultural pursuits. Schools have not given their graduates either the ability or the drive to use it so.

The underlying reasons for this wastage cannot be briefly assigned. The responsibility is divided among pupils, public and the educational system. Pupils are the least at fault. A large proportion of them is simply incapable of education beyond the rudiments of literacy. Providence has neglected to equip them with the necessary mental ability. All the propaganda for education ever uttered cannot help them. Even the desire on their own part to take a worthy place among their schoolmates is of no avail. The blunt mechanics of human intelligence forbid it. Four years of the most intensive and persuasive education are wasted on them—and to the disadvantage of both pupil and society. Yet most of them are kept in school. Occasionally they graduate, by dint of heroic effort and tolerance on the teacher's part. More often they simply wait until they have reached the age limit, when they are retired with sighs of relief from all concerned. Either method is costly and unsatisfactory. Schools continue to waste time and strength in a grim struggle to impart education to thousands of pupils absolutely incapable of absorbing it.

This is not to indicate that the lower intelligence levels should be given no education whatever. Social considerations demand some training for them. Extreme cases—backward or retarded children—already receive special care. They are separated from those who have been luckier in their mental endowment. But the ordinarily stupid children, the ones who can only progress painfully and awkwardly through their four years' schooling, are mixed indiscriminately with the brighter and more capable. The result is delay in the general progress. The school becomes a convoy, moving at the speed of the slowest. The process is clumsy and unhappy for all. It is small wonder that the lower level hastens to forget everything teacher has tried to impart as soon as it is released.

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More vocational training would be an answer to this phase of the problem, yet it has not been developed beyond a small extent. Of the thousands of high schools in the system, only a few hundred are devoted to specific training for industrial and technical occupations. Most of them continue to rely upon the humanities, irrespective of the interests or abilities of their students. No one doubts the virtue of a liberal education—for those who can take it in and make some cultural use of it. A large portion of the high school body cannot, yet it is required to plod through courses in literature, arts, history, languages that are not only beyond its capacity but utterly outside its needs. For benefit to such students, they might just as profitably spend their time working, playing baseball and chewing gum.

High schools are not only indiscriminately hospitable to students. They offer too bewildering a variety of elective courses as well, especially in the larger centers. The average high school student is not capable of choosing wisely among them. Many of the courses are trivial, including such esoteric subjects as highway traffic control—presumably the art of becoming a motorcycle cop—and gift shop management. This is not vocational training; it is silliness. High schools would do well to avoid such extravagant specialization. True vocational training implies a consistent program fitting the student to take his place in some branch of industry or technical work. It must be a coherent, organized effort to guide him into an occupation suited to his abilities. It cannot be achieved by offering a series of isolated courses, which limit the student to a narrow and artificial field.

Secondary school teaching, in spite of increasing regulation, is not high in quality. Emphasis is often placed upon tricky methods of teaching at the expense of sound knowledge of the subject to be taught. Here our standards are lower than those of Europe, and even our secondary school élite compares only moderately with the average French or German teacher. American high schools have failed to attract first class educators. Our great expansion in college education has drawn many good teachers away from the high school field. College jobs pay better. More professional prestige attaches to college work. Colleges are less dependent upon political machine control. As a result they offer a freer forum for the expression and the exchange of opinion and professional views. This naturally appeals to the better class of teacher. Higher pay, more security



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of position and greater intellectual freedom would do much to increase the attraction of high school teaching as a career, and consequently to raise high school standards.

American students are required to absorb more of their schooling from textbooks than students elsewhere. Texts in use today are not good. Socially they are behind the times. Often their facts are seriously out of date. This defect is a disadvantage to the best of teachers. It is also a stumbling block to the student. If he is astute enough to see through the stupidities and omissions of the texts, he is likely to acquire a certain contempt for education by books. If he is not, he is likely to be seriously misled.

Isolation and divided effort play a part in the weakness of our secondary education. Each city and county has its own separate system, with few connecting links to draw the whole together. This is particularly true in the rural areas, where most schools contain less than a hundred pupils. Some institutions are advanced and progressive, yet they have slight chance of influencing the smaller or less efficient units. The only contact is through infrequent conventions of high school teachers, and then the influence of the better schools is limited by the alertness of the teachers attending the meetings.

The ideal of education for the people has been established more or less beyond cavil. It is a good ideal, as good as any that democracy offers. It must be continued, if we are to keep the institutions on which it is founded. The American system has always placed most stress on the intelligence and good sense of the voter. Our enormously long ballot, whereby we ask the voter to choose the best man from President to county sheriff, demands a wisdom and an ability to think straight that no other country expects from its citizens. This is an exacting demand. It implies not only a high intelligence level, but a large degree of political and social training in the people who live under it. Fate controls the element of intelligence, but education can be called in to expand and improve what has been given.

Within limits, wonders can be worked on the elements of mental ability. The people can be fitted more comfortably into the society in which they are born. They can learn the outlines of adult living before they are called upon to begin it, avoiding much of the pain and maladjustment that comes from being forced to learn after the task has started. They can be prepared for change and progress. They can even be taught to design and promote change themselves. Theoretically, our plan of government encourages initiative and critical thought in its supporters. Actually the mass of voters is not well enough trained to take advantage of the opportunity. Corrupt politicians exploit this lack of training to their own profit and to the loss of society. Ignorant, ill educated voters—in spite of the most expensive educational equipment in the world—make this possible.

Industry and agriculture are being submitted to the rudiments of a national plan. We are beginning to regard unemployment as something more than a local problem, best solved by leaving the individual communities to take care of it themselves. Even finance may have to bow to a national scheme, if the present wave of organization succeeds in overtaking it. So far we have left education out of the picture, although here is one of the most obvious fields for central design. European countries regard education as the first of proper fields for national interest. Many of them, it is true, centre their plan on political propaganda. A *coup d'etat* seizes the schools almost as quickly as it seizes the army and the police. But here in America we have as yet no political party that seriously threatens the end of our democratic forms. We have instead a government that is promising a new and more workable alignment of social and economic forces. It proposes to do this by bringing some measure of control to bear on most of our national life. Such an extension of government will require still greater participation by the people, if they are to retain even the formulas of sovereignty. This can best be assured by education. As yet we have no plan or beginnings of a plan that will supply the added demand.

The need is critical. Isolated units should be coordinated. High schools should do more than welcome everyone to their doors, irrespective of difference in mental quality and social ability. More care should be used in separating the gifted students from the mediocre—not because some are educational sheep and the others goats, but because both can profit if allowed to proceed at their own speed, unhandicapped by wide gaps in ability. Greater opportunities in technical and industrial training should be offered to those who have neither desire nor use for a cultural curriculum. Both teaching and administration should be raised in quality. Trivialities and eccentricities in method and policy should be liquidated. As indicated above, some policy of support for students is needed. Many high school pupils suffer the fear of economic insecurity. They cannot be expected to take full advantage of education when their minds are taken up with the constant problem of food, clothing and shelter. We are moving towards the abolition of child labor. To educate our children, we will have to move on to economic security for them during the process.

To save the investment already made, we shall have to make improvements and perhaps even extensions in secondary education. It is conceivable that more money should be spent. Four million high school students is a large number, yet it is only half the adolescents in the country. The others are presumably receiving no secondary education, if we except the small number in private schools. They are naturally a drag on the cultural standards of the nation. Unless we are to retreat from the thesis of mass education, we must see that it reaches all the people, and in forms they can assimilate to the profit of themselves and of society. No one wants education curtailed. More education is the constant need—and chiefly more in quality. Only then can the hope of an educated people be realized.



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# Going Places and Doing Nothing

## by Henrietta Ripperger

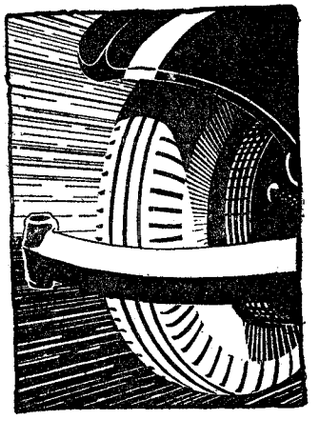
The Federal Relief Bureau, now at work on a census of the indigent transient, which will reveal startling totals, shortly will undertake to reduce our army of unemployed wanderers, whose problem this article discusses.

A FOREIGN visitor recently called us "a nation camping out." He had been struck, not only by the impermanent look of many of our newer settlements, with houses planted like boxes on the bare dirt, but by the never-ending stream of cars upon the road, the overnight camps, the dining tables built by the wayside, all signs of a nomadic way of life. Our endless roaming does not indicate any longer that we are a pioneer people traveling onward in search of sites on which to settle; it means that we have become geographic philanderers, to whom any place looks better than home.

Inquiry into conditions of the past five, unhappy years show that our sufferings have been aggravated by restlessness. Driven by dissatisfaction, if not by actual hunger, we move endlessly to and fro. In doing so, we have laid an increasingly heavy financial burden upon the public, and have taken from individual life most of the things that make human lives worth living.

Now there is no denying that mobility goes hand in hand with progress. It means communication; the exchange of ideas. It means free passage of trade. It means the break-up of that isolation in which human nature hardens. Historians in writing about the 19th century emphasize the value of good roads, canals, railways, with all the inducement to travel which they brought. The history of transportation is an integral part of the advance of civilization—up to a certain point. But beyond that point, mobility can become a disruptive and ruinous thing.

If we could see the country in a glance we should find the inhabitants weaving confusedly to and fro, like chessmen pushed about on a board by the irresponsible hand of a child.



"Come spring," said a Swedish cook giving notice, "I like to *go*." So she boarded an empty produce truck bound from Jersey City to Wilkes-Barre where she knew no one but the driver of the truck and where she had already been told no work was to be had.

A traveler in the southwest reports having counted fifty riders on a single freight train as it pulled by him. "Riding the freights" once was exclusively a hobo's mode of travel. Hard times have forced the most unexpected people to travel in this way, and have also obliged the railroads to cut down on the special agents who are out to catch them. In Mobile, where three southern railroads come together, railroad detectives estimated last year that in six months 90,000 persons were taken off the freights. Most of them were men; but some hundreds were women. One was an old woman of eighty-odd who had beaten her way from California. Some were young mothers with babies. Many were young girls. Most of them were drifting about trying to keep in a warm climate. A favorable temperature attracted to the southwest many of the 19,000 families found living in derelict cars last spring.

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The mirage of a job on the horizon lures hundreds of thousands away from home. "If," says Walter Lippmann, in one of the few careless sentences from his meticulous pen, "he (unemployed) traveled 300 miles he might find a job." It is this *perhaps* which has set thousands astir in a manner unknown anywhere else in the world. Hundreds of families are encamped hopefully near Muscle Shoals. Hollywood is extremely reticent about its social problems, but it constantly draws pilgrims from all over the country who hope to find jobs in the studios and who, in spite of the first rate work of the Los Angeles social agencies, may eventually starve. The Traveler's Aid in New York City cared last year for 50,000 persons who were in trouble far from home. Mr. Lippmann goes on to imply that the unemployed cannot travel for lack of funds. The facts belie this. They do! The Lincoln Highway, which furthers industrial communication, also made it possible for a woman to push her baby a thousand miles in a baby carriage, which one woman did last spring. Finding no work, she disappeared. Nor is continual movement confined within the borders of the country. The International Migration Service reports that for every *one* person who entered the country last year, *three went out.*

Tramping, hitch-hiking, gypsying, pushing baby carriages, driving worn-out cars, boarding motor buses, riding the freights, the population of this country seems to be perpetually in motion; continually on the wing.

We wanted mobility. Well, we have it; and now it is time to count, not only the advantages, but some of the inevitable costs.

When wings are broken far from home the public pays. I do not know that anyone has ever computed in dollars



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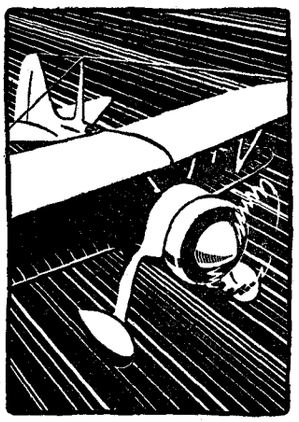

and cents the cost of sending the Coast Guard to search for a flyer forced down somewhere in the North Atlantic. But there has been in the last year or two a marked tendency, even in aviation, to feel that the rescue of these airmen comes pretty high and that unless they are thoroughly equipped and trained they had better stay at home. If the comparison of one of the "homeless and destitute" with an aviator seems extravagant, let us substitute for the flyer a kitten who has left home, has been treed by tormentors, and refuses to come down. In New York City the distracted owner, after locating her pet, probably calls the Fire Department, on the theory that it has a ladder, only to learn that such rescue work belongs to the Police. Getting her own precinct on the wire finally, she tells her story. The emergency car is sent out with six or seven men, each of whom is paid $7.50 per day. In addition, one or two cruising radio cars will undoubtedly arrive on the scene to handle the bystanders. The bill for the kitten's escapade, if the owner had to pay it direct instead of by taxation (and entire), might well make her reflect soberly upon the good sense of keeping kittens at home.

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A tragic example of the price of wandering is found in the events which happened at Scottsboro. When one has factored out of the Scottsboro case the race prejudice and the bitterness which it engendered, one finds a few simple facts: that the two girls involved were living in a freight car and that their way of life resulted in a bill to the public of about $37,017.67 up to June 1933 and about $6,000 since that date making a total of more than $43,000.

It is impossible to obtain exact figures on aid given to transients through such agencies as the Salvation Army or the Traveler's Aid, but the amount was very large. As we go to press the government is completing the set-up of the Federal Relief Work and no statistics are available as yet; but of the $400,000,000 taken from the Aladdin's Cave of taxation, an undetermined but considerable percent will have to be devoted to the relief of citizens who have broken family ties, and for whom no community is responsible. What the total cost of patching up broken-down wayfarers will be we shall not know until all the money has been spent.

It is old stuff to talk about the cost of social accidents and human waste. But a condition of things in which such fabulous sums must be used in relief work is new. It becomes important to discover even one contributing cause of the need and if possible to remove it. If the man who roves, looking for work or not, adds to our taxation bill without bettering himself, the public certainly has the right to urge him to stay in his own town, where chances of employment are greater and where relatives and friends may carry him.

The economic and social cost to individuals shows even more dramatically the fact that mobility comes high.

An example of the financial waste entailed in moving about may be found in the following joy ride of an American family:

This family owned its own home in southern California. The firm in which the husband was employed failed. He remained out of work until his resources were exhausted. He then decided to sell the house and move his family to England. He had no prospect of work there, nor did he obtain any. When he saw his funds vanishing he bought return tickets to New York. On the steamer he came down with scarlet fever and when the ship reached the dock he was rushed away to a hospital. The mother tramped the streets with the two children until one of them fell ill, and she herself collapsed from exhaustion. They were then taken by the police to a shelter which housed and fed them for six months. When the father had recovered they were sent back to California by the state of New York.

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The heroic absurdity of this adventure is obvious when one considers that the members of this family traveled about 13,212 miles apiece, or, collectively, 52,848 miles; that they converted their investment in their home into cash and spent it all, that they cost a relief agency approximately $300, that the state of New York spent $141.40 for their traveling expenses and the city of New York $111.30 for hospital care for the man, a total bill of $552.70 to the public to which one must add the loss of their savings. They are back in the place from which they started, worse off than they were before. Going somewhere and doing nothing proved a costly experiment.

Another loss to the individual who roams and one which is little understood, is the loss of his settler's rights. The Federal Relief Bureau has been forced to undertake special work with transients because the transient is a "man without a country." Usually no state owes him protecting care.

Settler's rights entitle a man or woman to aid from his state or county; to care in the county hospital, in the state asylum, and what is most important, to an old age pension provided he lives in an enlightened state which cares for its aged.

He gains these rights by continuous residence in a state for a period varying from one to five years in different parts of the country. He may lose it in a much shorter time, even, under certain circumstances, in twenty-four hours.

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The laws dealing with the right of settlement vary in different states in the union. In principle, however, they all hark back to the days of Queen Elizabeth when vagrancy was the curse of the English countryside. A statute passed in England in 1601 forbade the relief of the destitute unless they had the right of legal settlement. The purpose of this law was not directly to curb mendicancy but to remove a contributory cause, namely roaming without a purpose. It is interesting to observe that the procedure was exactly the opposite of that in the United States at the present time. The Elizabethan government specifically excluded from relief the very people who will be the objects of Federal care here this winter.

The state of New Jersey, finding itself a kind of corridor leading into New York, has protected itself from re-



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sponsibility from transients who break down on the road by requiring a residence of five years before one can obtain the right of settlement, while one may lose it by twelve month's absence from the state. In Georgia settlement is a matter of intention.

Last year, Andrew left Georgia with the intention of living in New York. He beat his way to Trenton, where he had an epileptic attack. Being a transient he could not be committed to a New Jersey state hospital. New Jersey therefore paid his carfare back to Georgia. He had, however, lost his settler's rights in Georgia and could no longer be committed there, and Georgia shipped him back to Trenton. The indignant authorities returned him to Georgia. What the outcome was I do not know, but the story of this unfortunate man illustrates the plight of the wanderer who has lost his residence rights. It is as good a guess as any that he sank into vagrancy and that the rest of his unhappy existence will be lived in a jungle somewhere along the railroad tracks.

The following case shows the waste of reserve strength and money involved in traveling in search of work:

This woman was a saleslady in a Fifth Avenue shop. When it failed she was shocked, but not alarmed. She was an elegant person with a following of wealthy customers and she did not anticipate any difficulty in finding a place. Bad times, however, kept her from finding work, and as her savings began to diminish she left for Washington where she had an introduction to the manager of a gown shop. For six months she went from town to town finding nothing. She cut down on her food. Then her real wanderings began. She boarded buses and moved from place to place, using up her funds without results. In Florida the curt treatment and sharp looks of hotel men made her realize that she was fast becoming the type of person that every boarding house keeper and proprietor of small hotels dread—the down and outer—perhaps the potential suicide.

Now let us see what the woman did to herself by moving about. She cut herself off from the labor market in New York, where she was known and where she had friends. She used up saving which might have tided her through to better times. She forfeited her claim on New York for aid; pretty extensive damage.

The social effects of roaming are even worse than the economic results. The deepest loss to the individual who wanders is the loss of human ties, of affection,, of responsibility. Too often character disintegrates when the restraining influence of public opinion is removed. Probably no American would care to have his character judged entirely on events of his stay in Paris! Irresponsibility taken as a holiday is refreshing; as a habit it is disastrous. The fact that wandering boys and girls are far from home and friends opens the way for all sorts of social irregularities which easily lead into crime. Moreover they are treated like aliens, and tend to become in turn enemies to society. A loss of integrity is one of the demoralizing effects of mobility.

The results of living without family ties, or friends, is very real though less tangible. Among hundreds of examples of friendless old people one or two will serve.

"X" is an old woman living in New York City committed to Ward's Island but taken from there by a grandson and his wife, who, although they were on food relief from the city, signed papers for the old woman's release, and took her home to the tenement. At Ward's Island she was a bed case. Under the care of a Henry Street Visiting nurse she was put literally on her feet. The cost of keeping her has been reduced to a fraction by thus returning her to her own family.

It would be difficult to measure the spiritual difference between her case and those of the two men which follow. With the family she has a part in the household life. She has a fierce pride in her grandchildren. She supplies to the little couple a person for whom they, who are being cared for, must in turn be responsible. Even under the most meagre circumstances, life here still retains some beauty.

Compare her story with the following. Here human life is reduced to a minimum as a result of a life of roving.

Just to the north of the Public Library in New York City is a subway kiosk and behind it is a grating from which warmer air flows up into the street. As morning comes an old man with flowing white hair gets up from the grating. It is his regular sleeping place. He folds the newspapers, on which he has bedded himself, puts them in the waste receptacle, repairs to a subway wash room and shaves, and then makes off toward Second Avenue. At 40th Street he stops and takes from the hollow pillar of the L a package wrapped in newspaper which he has cached there the night before. It contains his breakfast; scraps of bread, whatever food he has been able to pick up.

His history, when we get it, shows that he comes from Canada. Up to the age of fifty he went from city to city, taking jobs but seldom keeping them, until he found his way to New York. For the past ten years he has lived on the streets of Manhattan. The fact that he was a rolling stone meant that he made no permanent ties. He now subsists without affection, without work, without a dwelling place.

"Y" is an old man over eighty, who has existed for the last twenty years on the Bowery. As a young man he left a family in Indiana. For forty-five years he lived an unobtrusively nomadic existence, working in various cities, but making no permanent ties. At fifty he lost his last regular job. At sixty he drifted onto the Bowery. Since then he has never begged and never worked. He has lived off the uncritical charity of the missions and of the speakeasies. He has a number of nests in doorways and cellars in which to sleep. Language has become merely a means of getting something, for he has not really talked with a living soul in a decade.

These two histories are interesting because the old men were not driven to roam in their younger days by any extraordinary economic conditions such as exist today. Hundreds of stories of old people relieved by the Salvation Army are pathetically similar. Getting out of the home rut, losing one's place in the machinery, throwing off home ties, have in the past led all too often to old age bereft of comfort and of human affection. Nels Anderson writes, "This army of older men is the most outcast population we have." The truth of this becomes evident when one considers that they have no homes, no women to care for them, no whiskey, no importance. These are scarecrow figures which warn us away from fields far from home!

How to prevent the economic and social destruction which is the result of too great mobility is one of the problems which faces the Federal Relief Bureau. Queen Elizabeth's ministers penalized the penniless wanderer by refusing him aid. It was quite the usual thing to cut off



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an ear before sending him home. The government of the United States, three hundred years later, proposes to take him off the road wherever he may be and to rehabilitate him.

The plan is as follows: Federal relief for transients will be given out this winter, through appointees of the state, to all persons who have been in the state less than a year. (Sailors come under a special ruling. There is always somthing special about sailors!). It is intended to check the disintegrating restlessness of those who are out of work.

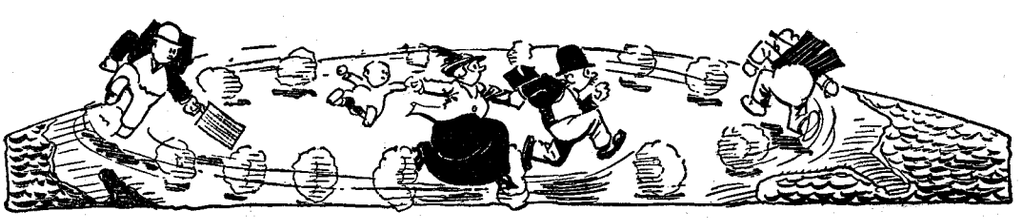
The program provides for no duress to prevent a man from going on from place to place, nor will it be wise to attempt to keep the free-born American from doing so if he wishes. But relief will not be given to a persistent rover. Vagrancy is a matter for the police. It is believed, however, that if he has moved about in an honest attempt to find work he will readily be persuaded to coöperate with the Relief Bureau. Any persons who can show good reason why he should be sent to a "Better 'Ole," perhaps to his home and family may be sent there by the authority of only one man in each state. In general, however, the plan is to make work for these people near the places where they are found.

Before he can work, however, the average transient will have to be put in shape. He will probably have neglected his health, since the fact that he is a transient has made it impossible for him to get free care at local clinics. He will be required to undergo a thorough medical examination. In fact everything possible will be done to make him physically able to work. Food and clothing will be supplied as they are needed.

Interstate labor is a government problem. In depression days it becomes a relief problem. It is easy to see how the government has got into the business of relief. One wonders only whether it can ever get out. Like all experiments the work will be interesting to watch.

It must be remembered, however, that Federal Relief is only temporary in intention. Security still rests on permanent residence. The government offers no substitute, for example, for old page pensions, nor does it intend to do so. It is dealing with an emergency.

If it were merely the economic emergency, the need of a job that drives us to and fro, Federal Relief might cure us of our restless habits. There is no doubt that it will prove beneficial. But the thoughtful observer must be aware that the causes lie deeper. We are a nervous people, subjected to tremendous stimulus, with far too little opportunity for adventure. Our way of life produces too often, not content, but dissatisfaction. Restlessness, once an asset when the country was being opened up, now is almost pathological. Perhaps it is a good thing that the Depression has brought out this trait so dramatically and that it forces us to face the fact that we are perpetually going somewhere and doing nothing.





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# Outlook Book Choice of the Month

## Reviewed by Robert Cantwell

**BRAZILIAN ADVENTURE, by Peter Fleming. $2.75. 408 pp. Illustrated. New York: Charles Scribner's Sons.**

THE AUTHOR OF THIS BOOK seems to have been in a typically modern predicament when he began writing it. Beyond all doubt a modest man, continually deprecating his own achievements and full of scorn for the usual self-glorifying explorer's account, he nevertheless must have recognized that his own adventures were considerable by any standard and interesting and valuable enough to be preserved. The problem thereupon (I am here doing a good deal of reading between the lines at this moment) became one of writing of a sensational feat, one that demanded all the courage, endurance, powers of observation and cunning that explorers are traditionally supposed to have, as though it were something to be ashamed of, or as though it were no more than a series of stupid blunders beginning when the author decided to make the trip and ending when he practically fell into a steamer bound back for England. The quality that makes this predicament modern, of course, is simply that Mr. Fleming (who is the literary editor of a weekly magazine in real life) has been so fed up with the writing of fake adventures that he cannot forget them for a moment; whenever he comes face to face with a real peril, whenever he runs out of water or food, he remembers that this is old stuff for the readers of adventure stories and so adopts an attitude of mockery which is frequently very amusing and often more convincing than a straightforward account would have been.

Water, by this approach, never becomes a simple need; it is always "the last drop of the Precious Fluid." And a wilderness must always be a little less terrifying if you always think of it, as Mr. Fleming and some of his companions thought of it, as "The Untracked Wastes where no White Man had ever Trod." They never spoke of eating a meal, he tells us, but always of "Doing Ample Justice to a Frugal Repast." This attitude, this pleasant self-consciousness in relating their achievements, ends up by being presuasive in a double sense, for it enables Mr. Fleming to put over his most vivid and exciting narrative while informing you always that you can expect nothing but a series of anti-climaxes from him.

A little report on how the book came to be written may make this clear. It began when Mr. Fleming saw an advertisement in *The London Times* announcing that there was room for two more guns on an expedition into Central Brazil. One of the purposes of the expedition was to try to determine the fate of a previous explorer, Colonel Fawcett, who had disappeared in the unmapped region of Matto Grosso seven years before. (Colonel Fawcett, it should be said, was looking for nothing less exciting than a Lost World when he disappeared.) There were excellent reasons for believing that he was dead, that he had been killed by Indians or had died of exhaustion, but there were also stories of a white man held captive by the natives, and the combination of all these inducements, not the least of them the bad reputation of Matto Grosso, worked so powerfully on the literary editor's imagination that he was being photographed as a member of the expedition almost before he realized his limited experience at this sort of activity.

He was being photographed, persuading a friend to accompany him, searching through London for an adequate map of Brazil, getting a commission from *The Times* to write up the journey, buying equipment which was quickly discarded and starting for Rio de Janeiro before he realized that he had no information about the leader of their party, no clear idea of where they were going and no experience whatever in fighting a region which had defeated much more experienced and much better equipped individuals. Though Mr. Fleming nowhere says so, it seems that he finally waked up to all this several months later, when he was perched high in a tree in the absolute wilderness of Matto Grosso, watching a grass fire (started by Indians) racing across the plain toward him. With two companions he had pushed on along Fawcett's trail a hundred miles beyond the rest of the party, which had virtually broken into fragments by that time. The leader, with control of funds and provisions, was sulking at the most remote outpost of civilization, five days' travel away, and the remainder was scattered along the rivers in between. The literary editor and his companions had no food, an intermittent supply of water, inadequate clothing and no maps except those which they made themselves. They could not talk to Indians if the Indians were friendly, for they did not know the language, nor could they fight them off if they were hostile because their weapons consisted of a .22, a revolver of uncertain accuracy and a rifle which only fired occasionally and from which the bullets might travel in almost any direction. Presumably Mr. Fleming recognized some of these handicaps as he clung to the branches and watched the birds shaking the sparks out of their feathers. At any rate, after that, they started home.

This ought to make it clear that the author cannot be trusted when he announces that nothing but tedious anti-climaxes distinguishes his story. It is true that they did not find out what had happened to Fawcett, except by deciding that he had probably met the same fate that nearly disposed of them, and it is true that they did not have the sort of difficulties with the Indians they had been led to expect. They met less romantic troubles—quarrels, lack of agreement as to where they were going, bickering about money, problems in getting crews to-

(*Continued on page* 62)



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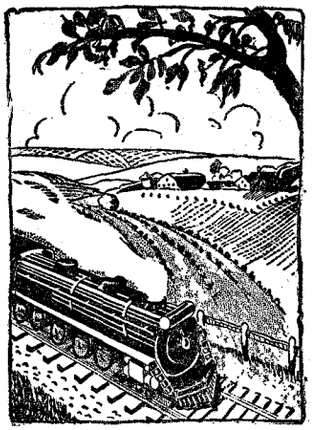
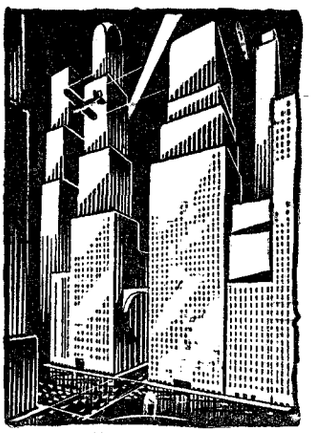


# Talk of the Nation



## *Re-expatriates*

THE EXPATRIATES are coming back. Every boat unloads a score or more of them, returning to the land of their forebears. They are the artists, real and would be, the poets (both types again), the novelists, rebels, believers in freedom for the soul and simple bohemians who have been living in voluntary exile ever since Sinclair Lewis took out the first copyright on Main Street. They have been living in Paris, Brittany, Majorca, Spain—anywhere where living was comfortable, drinks plentiful and cheap and the atmosphere not so stimulating that one felt one had to work inordinately hard. Now the pleasant period is over. Some are coming back in the desperate hope of finding jobs. Others are lucky enough to be returning to papa's hated rolling mill, or hardware store, or even banking office—there are still some open, with presumably room for chastened junior.

The fall of the dollar is sending them back. The Depression, though bad enough for all but the well heeled followers of the arts, was in the main survived. You could live so much more cheaply abroad, even when the dollars were not so plentiful, provided they still bought the usual number of francs, pesetas and lira. Foreign prices went down as rapidly as American prices, and often extraordinary concessions were made in hotels, bars and resorts in the pathetic effort to retain a dwindling tourist trade. Many of the more devout expatriates professed to like the Depression. It kept so many of one's horrible fellow countrymen back in Keokuk where they belonged—this, be it noted, was chiefly felt by expatriates whose own origin pointed to some humble midwestern town. It also seemed to make the possibility of return to the family circle more remote. One could always point out how expensive the ocean fare remained, how it was really more sensible to stay on, living more cheaply, no doubt, but still living abroad.

Many of them, of course, are serious students and genuine workers—in spite of a robust American belief, not all bohemians are fakers. They are the ones who will suffer least from the enforced return. Support for the arts has slackened just as drastically in Europe as at home. One society of artists in Paris reports a falling off in sales by members from 350,000 francs in 1932 to 42,000 in 1933. They may even find an American interlude of value, both culturally and financially. Americans like art too, often as much as Europeans. They also like a bargain. The comparative success of some recent street corner painting markets have shown this. Art might just as well get its slice of the profits for those who can supply the new leisure with something to keep its possessors from brooding. If the artists can promote their wares realistically, the demand should be great.

But only Providence knows what will happen to the others. Professional bohemianism does not offer a career any more, not even in New York's Greenwich Village. Even the sophisticates have seen through the hollowness of beards, corduroy pants and sandals as claims to the title "artistic." The Trilby era was short-lived at best in these United States, where the harsh test of achievement has long been applied to everyone claiming distinction from the common herd. Now it has gone completely. Postwar realities had much to do with bohemianism's extinction, and the depression has finished the job. There is less room than ever for languid young people whose sole exertion is the cultivation of an exquisite taste in the arts, a devil may care attitude and a rooted aversion from accomplishment. Amateur rebellion in politics has in part been substituted for rebellion in the arts. Young intellectuals have been turning from aesthetics to economics, sociology and the technique of revolution. Some of the expatriates may find both occupation and a new opportunity for "expression" in radicalism. They will not be particularly welcomed, however, by the more serious reds, nor will they enjoy working with them long. Organized revolution is a laborious and often uninspiring business. Hard dull work and the ability to take orders without flinching are required. Exiles who have fled from America because of its well known standardization will find small comfort in the routine of street corner speaking, house to house canvassing and petty agitation.

Let us hope they will not be too much of an addition to the unemployment problem. The good ones, provided they get the chance to make some sort of a living, will be all right. The useless ones will be both unfortunate and somewhat of a nuisance. Nothing is so pathetic and at the same time irritating as a dubious poseur who has had his calling taken away from him.

●

## *Einstein*

THE EINSTEIN'S, of 2 Library Place, Princeton, N. J., have withstood successfully the onslaughts of celebrity-baiters, autograph hunters and others suffering from uncontrolled curiosity, and now they have adjusted themselves to the quiet and uneventful academic life of the university.

Few persons in this country have been guarded more carefully against human pests than has Dr. Einstein since he arrived here during October and began his work with the Institute of Advanced Study at Princeton. A shy man, he quails at the thought of giving an interview or of permitting a



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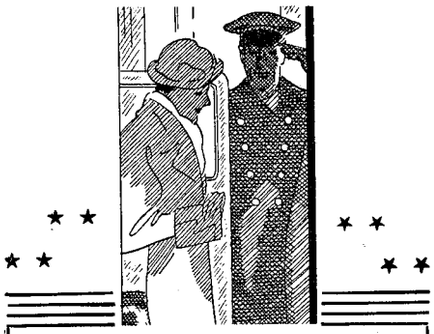

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group of hero worshippers to make an exhibit of him. Frau Einstein, having had much experience in shooing curiosity-stricken strangers from her doorstep, has seen to it that her famous husband has not been disturbed at home, and great precautions have been taken by officials of the Institute to protect his privacy while he does research work in his temporary quarters in Fine Hall.

To avoid the stares of strangers and the annoyances of autograph seekers, he appears as seldom as possible on the streets of Princeton. When he feels the need of exercise, he takes long hikes through the woods, usually puffing his pipe and dressed in an old tan sweater and shiny blue serge pants. He ordinarily goes on these excursions alone, and it is rarely that anyone recognizes him then, since he avoids the main highways.

Five or six days each week Dr. Einstein works in his large study in Fine Hall. Most of his research now is said to deal with the problems involved in the theory of spinors. Spinors is the mathematics of spinning bodies and is predicated on the theory that all bodies of the universe are in a continual state of spinning. Only the most advanced students are permitted to work under Dr. Einstein. Most of them have Ph.D. degrees and all of them have very superior scholastic records, especially in the study of mathematics.

Incidentally, the fame of Dr. Einstein has added no little to the worries of another professor. He is Professor William Oncken, a member of the foreign language department of the New Jersey State College for Women in New Brunswick, N. J. When he is wearing his old felt hat, Professor Oncken looks like a twin of Dr. Einstein. He has the same type of features, the same cut of the moustache, and their eyes are of the same color and their size is virtually identical.

Professor Oncken goes to Princeton frequently because his son, William, Jr., attends Princeton University. On his recent visits there he has been pestered no end. People stare at him and whisper, "There goes Einstein," and some people have urged him to autograph this or that. In one instance he was cheered lustily at a football game—everyone thinking he was the noted mathematician. While

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Professor Oncken was undergoing this embarrassment at the game, Dr. Einstein was wandering about the deserted campus, enjoying the solitude and having a very pleasant time of it.

Professor Oncken doesn't like all of this hokus pocus, but doesn't see how he can stop it unless he goes bareheaded. His hair is sparse, while Dr. Einstein has a great shock of hair. Professor Oncken says he likes his ancient hat (age five years) too much to cease wearing it, so it seems that this little comedy will continue.

## *Prophecy*

IF YOU WANT TO KNOW, absolutely, and for dead sure, what caused the Depression, go to a good astrologer. If you want to know how the Depression will end, where, when and why, do the same thing. If you want to know when to travel, make love, get married, start a business, bet on a horse or win money on the stock market, have your horoscope cast, find the best dates and proceed. It is impossible to go wrong, for the stars cannot err. Good luck and success will attend you, for the planets are all powerful. Not even your own bungling can ruin the outcome, once you put it up to the universe.

But be sure you get a good astrologer. Avoid the fakers and racketeers who have made a swindle out of a sincere and honest profession. As in every occupation, astrology has its quota of unscrupulous practitioners. They are the men who have made the science questionable in the minds of many, who have made it often a laughing stock, a matter of intellectual scorn and educated contempt. They are out only to make money from unsophisticated clients, not to give service. Some of them are so dishonest as to offer horoscopes based only on the day of birth, without reference to year—horoscopes which they have already printed in vast quantities. So, be sure you get a good one. You will find him a highly ethical person, dedicating himself at considerable sacrifice to making life happier and more secure for people wise enough to subscribe to his service. And trust your good astrologer, once you've got him. He is working for you. You trust your doctor. You trust your minister. Some people even trust their lawyers. So make sure your astrologer is ethical, and then trust him. The stars will do the rest.

This department, for example, recently heard of a good one. It heard of him in the most direct manner possible—from the astrologer himself. He is Philip Frederick Lynnhaven, and for the nominal fee of one hundred and thirty dollars a month he will take care of all your needs in the predicting line. Chief in Mr. Lynnhaven's service is stock market prediction. This comes in the form of telegrams (prepaid) and a magazine (free, i.e., free with subscription to the service). The magazine is a weekly, the telegrams come apparently whenever Mr. Lynnhaven feels you need advice. Charts, tables and diagrams are thrown in generously. And if one hundred and thirty dollars a month seems too little for such priceless service, you can have the "New Secret Forecast Theory," for considerably more—and have it all to yourself.

Mr. Lynnhaven boasts that he has never made a serious muff in all his years of forecasting. The market collapse of last July, he says, was, "A Horn of Plenty to my subscribers," because they sold short on Rails and Utilities just before the ticker sagged. In December, 1931, Mr. Lynnhaven took a day or so and dashed off a prediction for the ensuing twenty-two months. This one took in every important swing, and, again according to our source of information, got them correct. Subscribers profited. No wonder Mr. Lynnhaven remarks, "Such accuracy should have a market value."

The philosophy of the good astrologer is interesting. It is both modern and antique. Mr. Lynnhaven, for instance, holds to the Ptolemaic concept of the universe. He has yet to see any non-Ptolemaic system that will answer the great question, "What of the Future?" But the greatest progress of the science has been made in modern times, in fact, since 1920. Before that time, astrology had decayed so badly that, "Not even the intellectual accomplishments of the Greeks and Romans were sufficiently penetrating to unearth it." America can claim the greatest distinction, with the work of Mr. Lynnhaven's contemporaries Evangeline Adams (since died), Iris Vorel, Howard Herndon and others. Due to their efforts (and, one feels, to Mr. Lynnhaven's), the science now ranks with medicine, physics, engineering, war and history—with this advantage over its rivals, it predicts the future.



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*The Sunday Review Announces for the month of*

# JANUARY

**the following partial list of contents**

* * *

**PROPAGANDA**
By EDW. L. BERNAYS

**NEWSPAPERS and THEIR RESPONSIBILITIES**
By GEORGE SELDES

**FASCISTIMANIA**
By G. B. S. HARDMAN

**TOLERANCE**
By WM. HARLAN HALE

**WIVES IN EVERY PORT**
By WM. McFEE

**STORIES** by Geo. Milburn, Ivan Bunin, Elisabeth Wilkins Thomas, Mary Watkins.

**SPECIAL ARTICLE** on the Opera from the point of view of a man of the theatre . . . by LEE SIMONSON.

**ARTICLES,** etc., by C. Hartley Grattan, Louis M. Hacker, Forbes Watson, H. B. Murkland, Elsie McCormick, Richardson Wright, H. M. Kallen, Ludwig Lewisohn, and Clifton Fadiman.

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## *Poets and the Depression*

WE HAVE BEEN forth on a quest to determine how poets have been faring in the Depression.

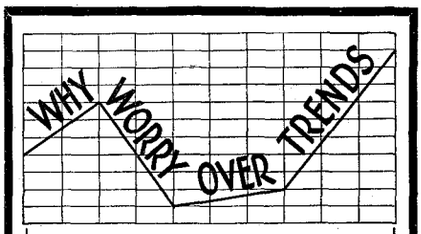
The past year has not been "propitious to poets," says Professor Allan Abbott, who is editor of the third annual volume of Columbia Poetry culled from the offerings of hundreds of students in the various schools, and just published by the Columbia University Press.

"The economic crisis, the political overturn, the threats of disaster abroad and the planning of a new social order at home have seriously concerned all minds, and nowhere more seriously than in the University," Professor Abbott explains.

"Perhaps the imminence of distress," the Professor continues in the introduction to the Columbia book of verse, "perhaps the practical economic basis of relief, run in other grooves of the mind than those of song; at any rate, in these verses no raven croaks his Nevermore over the Depression, nor do the innumerable choir of dawn welcome the NRA. Rather do our University poets turn to love and death, to beauty attained or aspired to, as values that no trembling of the social fabric can shatter."

The collection is described by Professor Abbott as "the distillate from a great and widely representative mass of material offered." He expresses the hope that it will "breathe to the discerning something of the pure aroma of poetry."

The experiment of the first volume, according to Professor Abbott, is becoming a tradition at Columbia.

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## Occupations

(*Continued from page* 5)

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| Tuition (college, library school, and study abroad) | 39 |
| Medical | 29 |
| Consolidation of Debts | 27 |
| Clothing | 23 |
| Aid to others (Members of family, Friends) | 21 |
| Vacation and Travel | 14 |
| Taxes and assessments | 11 |
| To effect savings due to Cash Payment | 11 |
| Mortgage payments | 9 |
| Dental | 9 |
| Household Improvements and Running Expenses | 9 |
| Insurance | 9 |
| Moving | 8 |
| Home Alterations | 6 |
| Interest Payments | 6 |
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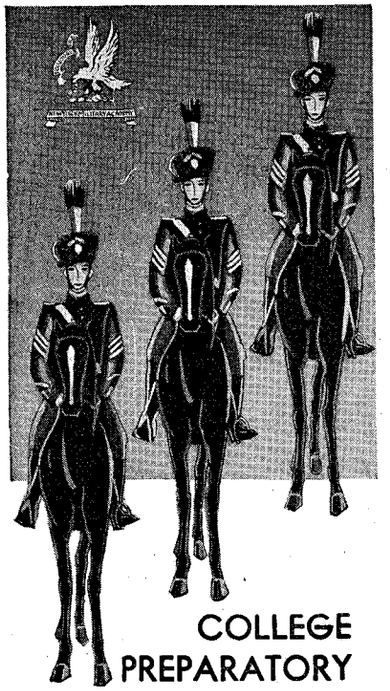

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dling funds through cooperative investment and cooperative management. It seems from all this that we must agree with Dr. Frederic C. Howe, Director, of the Consumers' Counsel Division of the Agricultural Adjustment Administration of the United States Department of Agriculture, who writes us that he is of the opinion that "these baby banks would be of immense service to the whole country."

A bill will be introduced in the coming session of Congress "To establish a Federal Credit Union System, to establish a further market for securities of the United States and to make more available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States."

•

The professional worker who is trying to earn a living by selling is having a very "stiff" time, according to the various men and women who are placing college men and women in these positions. In many instances they receive no compensation at all, their earning depending entirely on commissions. Few firms or individuals are buying. Many of these young persons who are engaged in sales work are not only giving their services to the companies for which they work, but many of them are put to actual expense. Business men have been allowed to exploit this class of worker far too long, and it is high time that this group of professional workers organize for their own protection as I am told that some of them are doing. A college professor trying to sell brushes on commission can't afford to pay car fare.

The government, we are reminded, is giving relief (the dole) to unemployed workers. It is extending help to those in danger of losing their farms and their homes. Through the R.F.C. it is lending large sums of money to industry, commerce, and finance. And its latest program is to launch a drive to give work to 4,000,000 men now out of employment through the newly created Civil Works Administration.

Whether or not the Morris' plan to extend credit to the individual on the terms that he proposes has merits, it is receiving serious consideration, we understand, from advisers to the President. It would be interesting to us to find out what professional workers themselves think of the proposal.

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What is needed at present seems to be a survey among the professional workers which will ascertain just what kind of assistance would do them most good. For one thing is certain: that unless this class is given the opportunity to survive the industries, and the various commercial and social institutions will suffer serious deterioration.

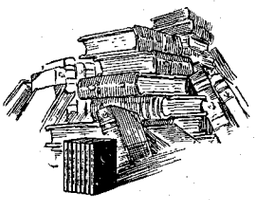
## Books

(*Continued from page* 55)

gether and keeping them once they were assembled, frayed nerves, exhaustion, distrust, a sense of the uselessness of their effort—much more real and recognizable difficulties. Even when they started back they got into one of those maddening, irrational and natural quarrels which intensified their trouble enormously, and for six crazy weeks fought their way to the Amazon in two separate parties, double-crossing each other with the heartiest will in the world, two forlorn groups of Englishmen, not even speaking when they passed each other on the most remote rivers on earth.

Somewhere along here Mr. Fleming drops the self-conscious mockery that characterizes the first part of the book and lets himself go in picturing the hardships they faced. They were real enough, and by this time the reader has implicit trust in Mr. Fleming's account, so that this last vivid narrative has a nightmare intensity and the race with the other party (with nothing at stake except a desire to get there first) as important a conflict as can be imagined. Major Pingle, their leader, had all the money and all the equipment and most of the food, but they had a sense that they had been wronged and a hatred that drove them to extremes of endurances even while they knew the battle was senseless.

A word ought to be said about Mr. Fleming's writing. He has a good journalistic style and his warnings against his own words are entertaining. After he tells you of the difficulties of getting the party through

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# Economic War Reports

(*Continued from page* 41)

the shallows, for instance, he adds something like this: "The obstances . . . were really very ordinary ones. I hope I have not made it sound otherwise. I so easily might have; just as you might make a considerable impression on the inhabitants of Matto Grosso if you circulated among them even a quite bald account of a bicycle ride out from Oxford to Boar's Hill. They, never having seen a bicycle, would form a high opinion of your daring and powers of endurance as they read how here you pushed the machine up a hill, and how there you avoided a collision with something called a char-a-banc. Truth is a perishable commodity; considerable care must be exercised in shipping it across the world."

"Brazilian Adventure" is a lively and amusing book; it can be recommended to everyone except those who demand depth in all their reading. Probably nothing would please the author less than to be taken seriously; he is certainly never guilty of it himself.

lating that a genuine re-orientation of our tariff policy is in preparation. Secretary Hull for months has been a consistent exponent of lower tariff rates, and other important spokesmen for the Administration, including Secretary Wallace, have been emphatic on the same subject. The high protective policy that for the last twenty years has been favored by Republicans and even by Democrats to a less degree is giving some signs of decay, and any downward revision will fundamentally alter our economic relations with South America, immediately placing the debtor countries to the south of us in a better position to observe their loan contracts and to buy American produce. The first step has already been taken in reaching a commercial agreement with Colombia. In general it can be said that the economic position of South America for the past year has not been deteriorating further, and if it is possible to increase trade relations by appropriate reciprocal tariff reductions over the next year, the entire outlook for South American bondholders and for American business relations in the southern continent will inevitably show a marked turn for the better.

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